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U.S. Aides Cautious On Arms

3 Top Officials Say Soviets Must End Imbalance

By Jay Ross
International Herald Tribune

WASHINGTON — The three senior U.S. officials concerned with defense and foreign policy emphasized Sunday on the eve of a NATO summit meeting that the West should move cautiously in reducing nuclear arms in Europe.

In Brussels, President George Bush and other leaders of NATO countries arrived Sunday for a meeting celebrating the 40th anniversary of the North Atlantic Treaty Organization.

"We seek to move to a policy beyond containment," Mr. Bush said in remarks at the airport as he and his wife arrived from a two-day stopover in Italy. "We want to see an end to division of Europe. We want to see it ended on the basis of Western values."

The three officials, Defense Secretary Richard B. Cheney, Secretary of State James A. Baker 3d and Brent Scowcroft, the national security adviser, all said the first priority for arms cuts should be for the Soviet Union to reduce its large advantage in conventional forces.

Their statements, in separate television interviews, amounted to a strong reiteration of the U.S. position, despite considerable opposition from West Germany, as Mr. Bush entered his first intensive discussions as president with European leaders.

Mr. Cheney noted that Mr. Bush would have "significant propositions to put on the table within a few hours."

He said that in the next few years there was a possibility of a "significant change in the military balance in Europe."

"We're talking about the possibility of rearranging the postwar order," he said. "We're talking about political and military relationships that have held for half a century. And so a certain amount of caution is in order."

Neither Mr. Cheney nor Mr. Baker would comment on reports that Mr. Bush would propose to the NATO allies a 10 percent cut in U.S. forces in Europe. Mr. Baker said only that Mr. Bush "will have something substantial to say."

Marlin Fitzwater, the White House spokesman, ruled out a unilateral cut in U.S. troop strength in Europe, but he confirmed on the weekend that Mr. Bush would make proposals to other NATO leaders about possible U.S. withdrawals related to the East-West *negotiations on conventional* forces.

Mr. Bush is ready, officials said, to broaden those talks to cover helicopters, a policy shift that would please critics in the United States

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President George Bush is set to ease rules governing high-tech exports to the Soviet Union. Page 2.

Harm to Bonn Seen in Event of a NATO Deadlock

By Joseph Fitchett
International Herald Tribune

BRUSSELS — A deadlock on short-range nuclear missiles at the NATO summit meeting that will start here on Monday would harm West Germany diplomatically more than the United States in the Western alliance, U.S. officials said.

They said West Germany appeared to be increasingly isolated from key allied governments on crucial points in the debate about the future of U.S. nuclear weapons in Europe.

The secretary-general of the North Atlantic Treaty Organization, Manfred Wörner of West Germany, acknowledged Sunday that the Bonn government was now seen, on the nuclear issue, to be turning away from the alliance.

Of the NATO allies that have nuclear weapons on their territory, only Belgium has backed West Germany in calling for early negotiatioos to reduce short-range nuclear forces and in leaving open the possibility of completely eliminating these weapons and other U.S. nuclear arms in Europe.

Nations with short-range Lance missiles on their soil — Britain, the Netherlands and Italy — have rejected key points in West Germany's demands.

New signs of flexibility in Washington on East-West issues, including some initiatives to be announced by President George Bush at the summit meeting, have satisfied some West German demands, notably Bonn's insistence on a postponement of any decisions on new nuclear weapons.

The U.S. acceptance of the principle of negotiations also met wider European concern to see NATO offering some prospect of fresh nuclear disarmament in Europe.

But West Germany seemed ready to brave allied criticism and insist on responding to Soviet calls to start negotiations now on eliminating short-range nuclear arms. This assertive West German policy, bearing the imprint of Foreign Minister Hans-Dietrich Genscher, promised the Bonn government both domestic political popularity and enhanced German influence in East-West affairs, U.S. officials said.

Mr. Genscher, one U.S. official said, "has maneuvered, brilliantly from his viewpoint, to produce a controlled crisis in the alliance that puts him in a heroic light at home as the architect of a new German geopolitical role."

But *Le Monde* noted, "It is a Genscher bluff, not reality, to portray Continental Europe as lined up with Bonn."

A large number of NATO governments are sympathetic to the West German positions, but most of them are nations where anti-nuclear feeling runs high, including Spain, Denmark, Norway and Greece.

Last week, the Dutch parliament supported the idea of missile negotiations on condition that the West rule out in advance any "third zero" that might eliminate any of NATO's systems of nuclear weapons.

The Netherlands, always sensitive to nuclear issues, played a mediating role in the dispute. A Dutch compromise plan, in its broad outline, was finally adopted in mid-May by the Bush administration, then rejected by West Germany.

Italy has insisted that new nuclear negotiations should await "concrete results" in reducing Soviet conventional forces in Europe.

Prime Minister Margaret Thatcher of Britain, the most adamant opponent of nuclear talks, has softened her position, apparently responding to Bush administration moves to accommodate Mr. Kohl. But British officials said she remained "skeptical" about the advisability of talks under any circumstances.

France shows growing alarm about West Germany's challenge to its allies on East-West policy and nuclear strategy. French

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The Associated Press

President George Bush at a church service on Sunday in Nettuno, Italy, before leaving for the NATO summit meeting in Brussels, which will open on Monday.

Tired Students Wilting Under Li's Pressure

By Nicholas D. Kristof
New York Times Service

BEIJING — About 100,000 people on foot and on bicycles streamed through the capital on Sunday to demand more democracy and the resignation of Prime Minister Li Peng. Policemen and soldiers made no move to interfere.

But government pressure and student weariness seemed to be taking a toll, and the demonstration was smaller than previous marches.

[Students leading the movement decided Sunday to continue their occupation of Tiananmen Square at least through June 20, the day the steering committee of the National People's Congress, the nominal parliament, is set to meet, Reuters reported from Beijing.

[The students' decision to continue the protest came a day after a smaller group of leaders had recommended that the approximately 10,000 students still in Tiananmen Square hold a final rally on Tuesday and then return to their schools.]

The students, increasingly aware of support from Chinese around the world, hailed the protest on Sunday as part of an "international Chinese people's demonstration day" to put pressure on the Beijing government.

Other demonstrations were held in several Chinese cities, including the economic center of Shanghai, as well as in Taiwan, Hong Kong, Australia and the United States.

By far the largest protest was in Hong Kong, where a rally drew a crowd estimated by the police at 300,000 and by its organizers at more than a million. Such protests are likely to impose new pressures on the Chinese authorities, who are increasingly sensitive to turbulence in Hong Kong in the years before the British territory reverts to them in 1997.

In Beijing, the demonstrators paraded along five different routes intended to maximize exposure to the city's residents. Separate columns of protesters, mostly students but including some workers, passed by the Zhongnanhai Compound where Mr. Li lives, as well as the Dianmen neighborhood home of the senior leader, Deng Xiaoping.

"We love our country, but we do not love the puppet government of Li Peng," the protesters chanted.

The demonstrations were smaller Sunday for two reasons. The first is that the government has been putting intense pressure on factories and universities to curb protests, and factory managers in turn have warned in turn that workers will lose bonuses and maybe even jobs if they join the students.

A Wall Street lawyer, returned to China to build a stock exchange, is branded a rebel. Page 7.

The second is that there is an air of apprehension these days, a fear of a violent crackdown and a major political realignment to be announced in the next few days.

The Communist Party leader, Zhao Ziyang, is being criticized in internal documents that are being circulated in "work units" around the country, and most people expect an announcement soon that he has been dismissed for leading an "anti-party clique."

On Sunday, neither the television news nor the Xinhua press agency covered the demonstration, a sign that the government is tightening its control over the press.

The Communist Party newspaper, People's Daily, was represented in the march by a small group of journalists who demanded press freedom, but most journalists seem to be expecting rough weather.

"There's a spirit of depression that probably the conservatives have won and that there will be a settling of accounts," a Western diplomat said. "The mood is that there's trouble ahead."

A copy of a speech said to be by President Yang Shangkun suggests how far apart the thinking of students and leaders is.

Although it is known that President Yang gave a speech criticizing Mr. Zhao, it was impossible to confirm the authenticity of a copy obtained from students. But it resem-

See CHINA, Page 7

France Explains U.S. Nuclear Deal

United Press International

PARIS — France and the United States, under an agreement made in 1961, have exchanged classified nuclear military information without transferring nuclear formulas, Defense Minister Jean-Pierre Chevènement said Sunday.

Mr. Chevènement confirmed the existence of a French-American agreement on the exchange of nuclear information.

"Exchanges in this area were the subject of an agreement between the two countries in 1961 and that agreement was amended by a new agreement in 1985," Mr. Chevènement said. "The existence of these agreements is not secret."

The defense minister said the two nations exchanged information "that benefits both parties, mainly in the area of security."

He said that although some of the work undertaken under the agreement was classified, "it has not produced any transfer of concepts or formulas."

Mr. Chevènement said, "the exchange of technical information with the United States does not imply any dependence by French nuclear forces on foreign technology."

He added that the agreement had had no impact on the French decision-making process about the use of nuclear force, which "depends exclusively" on the French president."

France withdrew from NATO's integrated command under Charles De Gaulle in 1966 and maintains an independent defense policy based largely on its nuclear strike capabilities, known as *force de frappe*. (Related article, Page 5.)

Vote for Supreme Soviet Spurs Protest

By Bill Keller
New York Times Service

MOSCOW — A day after many of the most outspoken political independents were denied seats in a new national legislature, Soviet television reported widespread public dissatisfaction on Sunday with the election.

The report on the normally conservative nightly news program, including the results of an opinion poll in six cities showing disapproval of the voting, was a remarkable public rebuke of the conservative majority that has demonstrated its control in the opening days of the Congress of People's Deputies.

The broadcast also featured a sympathetic account of a protest Sunday afternoon outside Luzhniki Stadium in Moscow, where thousands gathered in anger at the exclusion of a populist hero, Boris N. Yeltsin, and other anti-establishment figures from the smaller working legislature.

"No! No! No! No!" a group of Muscovites chanted at the camera, when asked if they approved of how the congress was conducting itself.

The broadcast conferred legitimacy on the minority of self-styled radicals who charge that the congress is dominated by the Communist Party apparatus and out of touch with the public.

It was not clear whether the broadcast also reflected the view of Mikhail S. Gorbachev.

In selecting 542 of their number to the standing legislature, known as the Supreme Soviet, the 2,250-member congress rejected an array of Moscow deputies who won their public offices by campaigning as ardent proponents of Mr. Gorbachev's program of economic and political change.

Among those defeated were all of the young progressives whose campaigns have drawn many disenchanted younger voters into their first show of political enthusiasm.

Another deputy who lost a bid for a seat was Tatyana I. Zaslavskaya, a sociologist and director of the public opinion institute that produced the poll showing a majority of citizens dissatisfied with the makeup of the legislature.

The congress also rejected the nominations of two officials — Venyamin G. Afonin, party leader *in the Kuibyshev region*, and Vladimir I. Kalashnikov, party chief of the Volgograd region — both seen as key Gorbachev protégés.

Mr. Gorbachev also has reason to regret the exclusion of Mr. Yelt-

See MOSCOW, Page 4

Kiosk

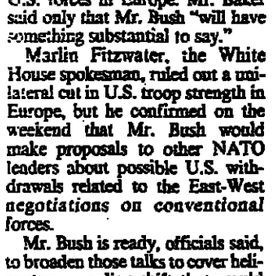
Lakers Reach NBA Finals

PHOENIX (UPI) — The Los Angeles Lakers, behind Magic Johnson's 21 points, beat the Phoenix Suns, 122-117, on Sunday to sweep into the NBA finals.

Los Angeles will meet the winner of the Eastern Conference final between Detroit and Chicago. The Bulls lead the Pistons, 2-1, in the four-of-seven-game series.

(Earlier article, Page 14.)

MONDAY Q&A



Alton Keel Jr., the U.S. ambassador to NATO, sees a reaffirmation of the alliance's basic strategy at the summit meeting. Page 2.

Sports

The French Open, the premier clay-court tennis tournament, is a grueling lesson in coping for some players. Page 14.

Business / Finance

Gulf oil producers seem poised to seek higher OPEC production. Page 9.

Crossword Page 2.

Tom Strickland/The Associated Press

FITTIPALDI WINS INDY 500 — Tom Sneva leaped clear as his crew put out a fire Sunday during the Indianapolis 500. Emerson Fittipaldi of Brazil won the race, after bumping Al Unser Jr., who finished second, into a wall on the penultimate lap. Page 15.

Nakasone to Leave the Ruling Party In Maneuver Seen as an Aid to Uno

By Fred Hiatt
Washington Post Service

TOKYO — Former Prime Minister Yasuhiro Nakasone said Sunday that he would resign from the governing Liberal Democratic Party to take responsibility for the Recruit influence-peddling scandal, which has severely damaged the party's popularity.

Mr. Nakasone's resignation was seen in part as a maneuver to ease the way for Foreign Minister Sosuke Uno, a member of Mr. Nakasone's faction, to be named prime minister later this week.

All major Japanese news organizations reported Sunday that Prime Minister Noboru Takeshita, who has promised to resign over the scandal, selected Mr. Uno as his replacement after a series of party meetings on Saturday.

Mr. Nakasone, 71, also said he would relinquish control of his faction within the party and step down as senior adviser to the government. But he continued to insist on Sunday that he would not give up his seat in the Diet, the Japanese parliament, as many critics have demanded.

Mr. Nakasone's statement came only days after he testified under oath in the Diet about his role in the Recruit scandal, saying he had done nothing wrong.

The decision to leave the party is a significant comedown for the man who, on retiring as prime minister 18 months ago, planned to play the role of power broker at home and elder statesman abroad. Mr. Nakasone served as prime minister from 1982 to 1987 and became perhaps the most internationally known Japanese politician in postwar history.

The Associated Press

Sosuke Uno, foreign minister, speaking at the Diet in Tokyo.

In explaining his decision, a key member of his faction quoted Mr. Nakasone as saying, "I feel deeply responsible that the Recruit scandal occurred during my tenure as prime minister."

Opposition politicians and even some members of the ruling party said Mr. Nakasone's action was too limited to reduce public anger or solve the party's problem.

His resignation did seem to pave the way for Mr. Uno. Mr. Uno is one of a handful of senior politicians who did not receive cut-rate stock from Recruit Co., an information and computer conglomerate that distributed millions of dollars in cash and stock to Japanese leaders during Mr. Nakasone's tenure.

Tokyo prosecutors have charged that Recruit was corruptly seeking government favors in return for its largesse.

The scandal, along with an unpopular new sales tax, forced Mr. Takeshita to announce in April that he would soon step down. But the party has, apparently until now, been unable to find a successor untainted by the scandal.

Mr. Uno had been thought an unlikely candidate because he is in Mr. Nakasone's faction. But former Prime Minister Zenko Suzuki said Sunday that Mr. Nakasone's

See JAPAN, Page 4

In Loire, a Meeting of Minds on Matter

By Barry James
International Herald Tribune

BLOIS, France — Had it not been for a scientific happenstance inelegantly known as CP violation, the beautiful Renaissance château of Chambord in the Loire Valley and François I, the king who built it, might never have existed.

Nor would many of the world's leading physicists, including four Nobel prize winners, have been there sipping Champagne to celebrate the discovery 25 years ago of the law that may have made all these things possible.

Nor would many of the world's leading physicists, including four Nobel Prize winners, have been there sipping Champagne to celebrate the discovery 25 years ago of the law that may have made all these things possible.

Few people have heard of CP — standing for charge conjugation/parity — violation, and even the physicists do not fully understand it.

Nevertheless, they say the discovery is likely to rank as one of the most important scientific advances of the 20th century, right up there with quantum physics and relativity, a claim that never does any harm when you are in the market for a particle accelerator costing the price of a couple of nuclear submarines or so.

The discovery of CP violation is not likely to make anyone — apart from physicists — wealthier or happier. It has no military applications, and Soviet and Western physicists freely share the results of their research. As things stand, particle research is a quest for knowledge for the sake of knowing.

To explain the theory without a blackboard and a vocabulary of mathematical symbols is almost impossible. What it signifies is that *during the cosmic clash between matter and* antimatter, which scientists call the "big bang," there was a small asymmetry that allowed a residue of matter to survive — enough to create Chambord, Champagne, physicists, stars and every other substantial thing.

"It accounts for the existence of humanity and the structure of the universe as we know it," said Leon Lederman, who with Melvin Schwartz and Jack Steinberger won the Nobel

See PHYSICS, Page 4

NATO Summit: Reaffirmation of Basic Strategies Predicted

The NATO summit conference that opens on Monday in Brussels faces a split over the question of short-range missiles, with West Germany urging the early opening of negotiations to reduce and perhaps eliminate them. Alton Keel Jr., the U.S. ambassador to NATO, spoke with Joseph Fitchett of the International Herald Tribune about the key meeting of alliance leaders.

Q. Is arms control going to dominate the summit?

A. This meeting, as both President Bush and Secretary Baker have said, is going to reaffirm the basic strategies that have made this alliance work. George Bush also said that we're going to go beyond that and pursue our basic goal of overcoming the unnatural division of Europe, where military forces are only a symptom of the tensions. We will show that our vision of a common house of Europe predates Gorbachev by 40 years and it's a vision based, not on geography, but on common values and human rights. There will be a threat to stability in Europe as long as there is a denial of basic individual freedoms in half of Europe.

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Q. Does that mean NATO is going to become more political?

A. We're certainly not going to abandon our military structure or U.S. forces in Europe, but this alliance can pursue more political reform in the East. As a group of

MONDAY Q&A

allied nations, we can agree that, as we see evidence of political reform, we can assist them. As an alliance, we cannot manage the reform process. But our internal documents have established some general guidelines about the basis on which we ought to judge reform in the East. Not managing their economic reform, or a common [Western] economic policy, but a harmonious approach among allies based on our common interest.

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Q. Will this summit change the balance of U.S. and European influence inside the alliance?

A. I would like to see us take the first steps beyond the debate over more equitable burden-sharing to more equitable partnership. We have to encourage steps such as tighter European unity planned for 1992. Not only can the Europeans then be expected to pay more, they must be expected to say more.

Q. What happens if NATO leaders fail to reach a compromise on negotiating with the Soviet Union about short-range weapons?

A. We might reach an agreement that accepted the principle of negotiations with the Soviet Union but made very clear our objectives and our timing to protect our security interests. The other option would be to agree to disagree at this point, with the alliance obliged to just keep working toward consensus.

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Q. Is the alliance split on the missile issue between the United States and Britain on one side and the continental allies behind West Germany?

A. No, there's a large group, including some continentals, that have reservations about getting into negotiations prematurely. Even most that support the principle of negotiations are adamant about having conditionality requiring concrete results in Vienna first.

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Q. Do political threats to NATO's short-range nuclear forces compromise the Vienna talks?

A. If the Soviets think that they can somehow entangle this issue with the conventional talks and divide this alliance, then that risks them holding hostage progress in Vienna. So we should be careful of opening another negotiating forum that offered the Soviets an opportunity to hold up progress.

Q. Is there scope for unilateral NATO nuclear cuts without modernization?

A. We've already withdrawn 2,400 warheads as part of our broad program of improvements to modernize our deterrent, but those cuts were front-loaded, so we're at the point where there's not much more benefit to accrue from modernizing elements such as artillery and communications. Most future withdrawals will have to come as a result of updating our surface-to-surface missile.

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Q. Does NATO need to modernize Lance in order to match the more modern Soviet nuclear missiles deployed in Europe?

A. It's ironic that over the last decade as we reduced our short-range nuclear systems, they modernized theirs and now they're proposing that over the next decade, as they reduce, we don't modernize. That's a formula we should reject outright. Our short-range requirements are determined predominantly by the size of the Soviet conventional forces, not their SNF arsenal.

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Q. Could the military situation in Europe change so dramatically that NATO could dispense with short-range nuclear missiles?

A. Frankly, it's very difficult to envision a realistic circumstance in which their absence would be acceptable from the standpoint of European security interests and NATO's strategy of deterrence. To be credible, our forces need to have nuclear weapons stationed in their midst, so no foe could come to the erroneous conclusion that he could risk a quick conventional thrust or that U.S. and European security interests could ever be separated.

Bush Is Set to Ease Rules on High-Tech Exports to Soviets

By Clyde H. Farnsworth
New York Times Service

WASHINGTON — In a gesture both to U.S. allies and to Moscow, President George Bush is expected to act this week to remove the remaining economic sanctions imposed on the Soviet Union after its military intervention in Afghanistan 10 years ago, administration officials said.

They said Mr. Bush would choose the summit meeting of the North Atlantic Treaty Organization in Brussels to announce an end to a policy the United States has used to deny computers, sophisticated machine tools and other high technology products from being sent to the Soviet Union from members of the alliance.

The Afghanistan-related U.S. sanctions involve a policy of "no exceptions" from a general ban on sales to the Soviet Union of high technology that could have military or civilian benefits.

Eager to increase business ties with Moscow, the Western allies have been urging a change of rules for months. They have also pressed Mr. Bush to respond innovatively to the political and economic changes under way in the Soviet Union.

In Washington, members of Congress from both parties have said that the Bush approach has been inadequate. They are calling on the administration to react more aggressively to Mikhail S. Gorbachev's announcement of Soviet cuts in conventional forces in Europe.

In recent speeches, Mr. Bush has tried to respond to the criticism, speaking more enthusiastically of opportunities created by the improved East-West atmosphere, and by trying to develop his own initiatives on arms control.

Within the administration, the issue of the sanctions over Afghanistan has prompted disagreement, chiefly between the State Department, which has pushed for the change, and the Defense Department, which has objected.

The State Department has pressed the allies' case that to be effective, export controls must be sensitive to changing conditions in the Soviet Union. The Pentagon has said that lifting the ban would help the Soviet Union develop a far stronger military force.

[Asked Sunday about the military impact of lifting sanctions, Secretary of State James A. Baker 3d said, "Whatever transfers are contemplated will be subject to the normal Cocom review test with respect to their strategic importance."

[He was referring to the Coordinating Committee for Multilateral Export Controls, the body that oversees transfers of technology.

[Speaking on the NBC program "Meet the Press," Mr. Baker said that lifting the sanctions "is more important to our allies than it is to the Soviet Union."]

An administration official said that "Bonn and London have been urging, and the president is responding" to their calls for a change in the export policy. Unanimous assent of the allies is required before any high technology is transferred to the Soviet Union.

Relations with Bonn have been strained not only by a dispute over short-range nuclear missiles but also by what West Germany says is U.S. inflexibility on export controls.

Even greater strains have developed in the relationship with Prime Minister Margaret Thatcher of Britain, an ardent backer of the United States on alliance matters.

An administration official said Mrs. Thatcher recently told Mr. Bush that she would allow a British company, Simon-Carves Ltd., to build a computer plant in Soviet Armenia.

In March, the company received a $435 million order for a factory that would make 25,000 programmable logic controllers. The devices control assembly-line production. Such a move to bypass Cocom would be a blow to the organization, which includes Japan and all NATO members except Iceland.

The organization rules on overall exports of products with technology above certain levels. It had permitted certain exceptions, however, until the United States, responding in early 1980 to the Soviet intervention in Afghanistan in 1979, decreed that exceptions would no longer be allowed.

A policy change now, some officials said, could lead to a flood of applications from companies wanting to do business with the Soviets.

Cocom bars exports to the Soviet Union of products that have at least the technological level of the Compaq 386 personal computer. The machine is easily obtainable in the United States, Japan and other NATO countries. But it also can be bought in Taiwan, Singapore and other countries outside Cocom.

Although some administration officials said the policy decision had already been made by Mr. Bush, others said there would be a final discussion of the issue with his advisers before the NATO meeting.

Turkish Rebuff Foils U.S. Intelligence Coup

By Stephen Engelberg
New York Times Service

WASHINGTON — When Turkey rebuffed a frantic plea from high-level U.S. military officials to examine an advanced Soviet jet fighter that had been flown into the country by a defecting pilot, it deprived the West of a significant intelligence coup, administration officials in Washington said.

The incident, which began on May 20 when Captain Alexander Zuyev pulled off an escape worthy of James Bond, is emerging as a test of the changing relationship between Moscow and Washington.

Captain Zuyev has requested political asylum in the United States, but the Soviet Union says he is a criminal who should be returned to face trial.

The chairman of the Joint Chiefs of Staff, Admiral William J. Crowe Jr., was eager for U.S. specialists to have a closer look at the MiG-29 fighter, and he telephoned General Necip Torumtay, the chief of staff of the Turkish military, soon after Captain Zuyev landed the plane at Trabzon, on the Black Sea.

Admiral Crowe sought as little as three hours' access to the plane for a U.S. team poised to fly from West Germany to Turkey, officials said.

Turkey, a member of the North Atlantic Treaty Organization that will receive $563 million in U.S. aid this year, rejected the U.S plea and a similar plea from Britain, the officials said. Instead, it released the plane after 36 hours, during which Turkish experts examined it.

A Turkish official in Washington said his government's actions had brought a speedy resolution that "avoided international ramifications at these times of lessening tensions in Europe and elsewhere." He declined to elaborate.

The Soviet Union is demanding the return of the pilot to face charges of attempted murder, hijacking, desertion, theft of firearms and violation of international flight rules.

In branding Captain Zuyev as a hijacker, the Soviet Union has implicitly raised the stakes. The Bush administration has been promoting improved cooperation with Moscow on terrorism and other issues, and therefore might find it more difficult to grant asylum to someone publicly described as a hijacker by the Soviet authorities.

"This case is on the cutting edge of the change in East-West relations," a Bush administration official said.

Soviet press reports said Captain Zuyev fed a cake laced with sedatives to fellow pilots at a base in the republic of Georgia and then attacked and overpowered a sentry, suffering a bullet wound in his arm.

Several U.S. officials said that if there were no indications that Captain Zuyev had a criminal record, he would probably be granted asylum, provided that Turkey allows him to travel to the United States.

Reuters

The MiG-29 at Trabzon airport in Turkey, before the advanced jet was returned to the Soviets.

Rushdie Foes Vow to Persist After Clash at Rally in U.K.

Reuters

LONDON — British Moslem leaders vowed on Sunday to continue their campaign against Salman Rushdie and his novel "The Satanic Verses."

The pledge was made despite condemnation by Conservative politicians of violence that occurred during a protest march in London over the book.

More than 100 demonstrators were arrested and 18 police officers were injured in clashes outside the House of Commons on Saturday.

The 30,000 people who participated in the demonstration were calling for the book to be withdrawn from sale and for Britain's blasphemy laws to be changed to protect Islam.

The Iranian leader, Ayatollah Ruhollah Khomeini, has said that the book blasphemes Islam and he has called for Mr. Rushdie to be killed.

Moslem spokesmen said they regretted the violence in London, but they vowed to continue campaigning against the book.

"We do not know our next move yet," said Chowdhury Mueenuddin of the Moslem Action Front. "It could be another march or perhaps a strike at all Moslem businesses."

Militants among the 850,000-member Moslem community in Britain started an international campaign by publicly burning Mr. Rushdie's book in the northern city of Bradford, which has a large Asian population.

A Conservative legislator, Sir John Stokes, said Sunday, "I cannot understand why they allow immigrants to parade and riot in large numbers either outside the House of Commons or anywhere else."

Priest Calls It His Duty to Hide Touvier

Reuters

PARIS — A Roman Catholic abbot who sheltered a French war criminal in his priory said Sunday that it had been his duty as a Christian to grant asylum.

"By remaining faithful to the law of charity which the holy church has practiced for 2,000 years according to the wishes of its divine founder," the Reverend Charles Moulin said in a sermon, "I merely did what was my duty as a Catholic priest."

Father Moulin is to be questioned this week by policemen investigating how the war criminal, Paul Touvier, who was twice sentenced to death by French courts, managed to evade arrest for 45 years.

Mr. Touvier, 74, worked alongside the Gestapo as police chief in Lyon. He was arrested on Wednesday in the grounds of Father Moulin's traditionalist priory in Nice, which is aligned with an excommunicated fundamentalist archbishop, Marcel Lefebvre.

The archbishop of Paris, Cardinal Jean-Marie Lustiger, protested that the press was using the Touvier affair to single out the church for criticism over collaboration during the Nazi occupation.

"The church's position at that time was no different from that of the rest of France," Cardinal Lustiger said Sunday. "The question is, are the French ready to turn back and see what really happened during that period, are we ready to heal those wounds?"

Several French newspapers have said that Mr. Touvier struck an agreement with church authorities as the Germans retreated in 1944, saving 40 people from execution in return for protection.

The Journal de Dimanche said Mr. Touvier had also been protected by the French secret services in exchange for information about the whereabouts of other war criminals.

Jean-Marie Le Pen, the leader of the far-right National Front, has accused France's Socialist leaders of engineering the arrest of the country's most wanted war criminal to placate Jewish voters ahead of the European Parliament elections next month.

Mr. Le Pen said Mr. Touvier's arrest on Wednesday after 45 years on the run was on the orders of a "cell" in President François Mitterrand's office.

It was meant to win back Jewish votes lost when Mr. Mitterrand played host to Yasser Arafat, the leader of the Palestine Liberation Organization, three weeks ago, Mr. Le Pen said at a rally in Toulouse on Friday.

WORLD BRIEFS

Get Out and Vote, Walesa Tells Poles

PIEKARY SLASKIE, Poland (AP) — The Solidarity leader, Lech Walesa, addressed the largest crowd of the Polish parliamentary campaign on Sunday, telling more than 300,000 people that the partly free elections were their best chance for democracy in 45 years of Communist rule.

Mr. Walesa addressed the crowd from a hillside altar set up for an annual religious procession, which was conducted by Cardinal Franciszek Macharski of Krakow, the second-ranking church official in the country.

Mr. Walesa urged Poles to put aside their skepticism and participate in the voting next Sunday, the first in the Soviet bloc to create a freely elected legislative chamber.

Charge Due Monday in Palme Killing

STOCKHOLM (Reuters) — A 42-year-old Swede with a history of drug abuse and violence is to be charged on Monday with the 1986 murder of Prime Minister Olof Palme, a court official said.

The defendant, whose past crimes include the murder of a youth with a bayonet, has been in custody since December while the prosecution has been preparing its case. "Barring unforeseen circumstances charges will be laid on Monday," a court spokesman said.

The trial is due to begin one week later, on June 5, more than three years since Mr. Palme was slain. He was shot and killed on Feb. 28, 1986, as he walked home from the movies in Stockholm with his wife, Lisbet. The suspect has consistently denied he is the assassin.

5 Palestinians Reported Wounded

JERUSALEM (AP) — Soldiers reportedly shot and wounded five Palestinians in four clashes with stone throwers in the Israeli-occupied Gaza Strip on Sunday.

Another report said a West Bank Jewish settler was wounded by an exploding booby-trap on Sunday. The army said it was checking the reports.

In another development, a Soviet-made Katyusha rocket, one of several fired from south Lebanon, struck the northern Israeli border town of Metullah, slightly wounding an 8-month-old baby early Saturday, according to other reports. The rocket attack was the first in months from Lebanon and was claimed by two Palestine Liberation Organization factions. It underscored mounting Israeli concern over a possible spillover of tension in Lebanon and reports of new Syrian troop movements for a possible offensive on Lebanese Christians in Beirut.

Bangladesh Says Cyclone Killed 48

DHAKA, Bangladesh (AP) — A cyclone killed at least 48 people in Bangladesh and India and left thousands homeless, officials said Sunday.

At least 150 Bangladeshi fishermen were reported missing after Saturday's storm. The death toll was expected to rise as rescuers dug through the debris in remote towns and villages, Relief Ministry officials in Dhaka said.

They said at least 25 people died and 2,000 were injured in Bangladesh, but a newspaper put the death toll at 60. In India, at least 23 people were killed and 50,000 left homeless in the states of West Bengal and Orissa south of Calcutta, officials and news reports said.

No Clear Winner Emerges in Bolivia

LA PAZ (AFP) — The ruling party gained the most votes in May 7 elections for Bolivian president, the electoral court has ruled, but the National Congress will choose the new head of state in August, because no candidate won 50 percent of the popular vote.

The decision on Saturday came just hours after the ruling Nationalist Revolutionary Movement filed for the results to be voided because of "illegal, unconstitutional" acts by the court during the ballot count. The court ruled that its decision was not subject to appeal.

The tally gave the center-right presidential candidate, Gonzalo Sánchez de Lozada, a 5,205-vote majority over a retired general and former Bolivian leader, Hugo Banzer Suárez. More than 1.5 million ballots were cast in the nation of seven million.

Mozambique Rebels Kill 50 in Attack

MAPUTO, Mozambique (Reuters) — Rightist rebels mutilated and killed 50 persons in an attack on a village two weeks ago, the semiofficial newspaper Noticias has reported.

It said that reports of the May 12 attack at Mabihane, about 400 kilometers (260 miles) north of Maputo, were received late because of poor communications.

For the Record

The Indian government appointed 110 doctors on Sunday as part of an effort to replace striking physicians whose 13-day-old walkout has disrupted the capital's 11 government hospitals. More than 5,000 doctors, mostly junior hospital staffers, went on strike May 16 in New Delhi and four other cities to demand higher wages. *(AP)*

On Mount Everest, five Polish climbers were killed by an avalanche on the 29,028-foot (8,848-meter) peak Saturday and a sixth mountaineer, injured by the snowslide, was stranded by bad weather, Nepal's Ministry of Tourism reported Sunday. *(UPI)*

TRAVEL UPDATE

U.S. Waives Visa Rule for Italians

ROME (Reuters) — President George Bush has said Italians will no longer need visas to visit the United States.

Mr. Bush said Saturday that Italians would be able to go to the United States without a visa for up to 90 days for tourism or business. The White House says the measure will encourage tourism and reduce the cost of processing visas. Italy is the third country to qualify for visa-free treatment under a three-year test program that runs until the end of 1990. Britain and Japan were granted visa waivers in 1988.

Hundreds of tourists in Greece were kept away from the 2,500-year-old temples inside the Acropolis over the weekend because of a strike by guards. The guards are demanding higher weekend pay. *(Reuters)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Britain, Colombia, Gibraltar, Guam, Puerto Rico, United States, Venezuela.

TUESDAY: Malaysia.

WEDNESDAY: Brunei, South Africa.

THURSDAY: Kenya, Tunisia.

FRIDAY: Bahamas, Bhutan, Israel, Portugal, Tunisia.

Source: Morgan Guaranty Trust Co., Reuters.

WEATHER

EUROPE

	HIGH C	HIGH F	LOW C	LOW F	
Algarve	21	70	16	61	cl
Amsterdam	19	66	6	43	r
Athens	34	75	14	57	s
Barcelona	27	70	13	55	s
Belgrade	24	75	11	52	s
Berlin	25	77	11	52	s
Brussels	21	70	8	46	s
Budapest	24	75	13	55	s
Copenhagen	20	68	11	52	cl
Costa Del Sol	22	72	18	64	cl
Dublin	18	64	9	48	cl
Edinburgh	22	72	10	50	s
Florence	27	81	11	52	s
Frankfurt	24	75	12	55	s
Geneva	24	75	10	50	s
Helsinki	17	63	5	41	s
Las Palmas	24	75	16	61	cl
Lisbon	21	70	15	59	sh
London	20	68	7	45	r
Luxembourg	23	73	12	54	s
Madrid	28	82	14	57	s
Milan	27	81	14	57	s
Moscow	22	72	11	52	cl
Munich	24	75	9	48	s
Nice	23	73	16	61	s
Oslo	19	66	7	45	cl
Paris	23	73	13	55	s
Prague	24	75	10	50	s
Reykjavik	8	46	2	36	r
Rome	23	73	14	57	s
Stockholm	18	64	6	43	cl
Strasbourg	25	77	14	57	s
Venice	25	77	14	57	s
Vienna	25	77	13	55	s
Warsaw	23	73	11	52	s
Zurich	22	72	8	46	cl

MIDDLE EAST

Ashkelon	19	66	9	48	cl
Cairo	40	104	21	70	s
Istanbul	16	61	12	54	r
Jerusalem	34	93	18	64	s
Tel Aviv	29	84	15	59	s

OCEANIA

Auckland	—	—	—	—	—
Sydney	21	70	14	57	cl

ASIA

	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	32	90	24	75	t
Beijing	28	84	20	68	c
Hong Kong	28	82	24	75	c
Manila	33	91	23	77	s
New Delhi	42	108	25	77	s
Seoul	26	79	16	61	s
Shanghai	21	70	17	63	r
Singapore	—	—	—	—	—
Taipei	30	86	20	68	s
Tokyo	25	77	16	61	cl

AFRICA

Algiers	25	77	17	63	cl
Cape Town	19	66	5	41	s
Casablanca	24	75	16	61	s
Harare	25	77	18	58	t
Lagos	31	88	26	79	t
Nairobi	24	75	13	55	t
Tunis	26	79	16	61	cl

LATIN AMERICA

Buenos Aires	20	68	10	50	r
Lima	45	113	19	66	s
Mexico City	28	82	12	54	s
Rio de Janeiro	22	72	18	64	sh

NORTH AMERICA

Anchorage	14	57	7	45	r
Atlanta	28	82	17	63	t
Boston	20	68	10	50	r
Chicago	26	79	16	61	t
Denver	29	84	11	52	t
Detroit	25	77	13	55	t
Honolulu	29	84	23	73	s
Houston	24	93	22	72	t
Los Angeles	24	75	14	57	s
Miami	32	90	24	75	t
Minneapolis	25	77	15	59	t
Montreal	20	68	12	54	r
Nassau	29	84	22	72	t
New York	24	75	13	55	r
Phoenix	39	102	21	70	s
San Francisco	18	64	9	48	pc
Seattle	17	63	9	48	sh
Toronto	20	68	8	46	r
Washington	26	79	16	61	t

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

MONDAY'S FORECAST — CHANNEL: Slightly rough. **FRANKFURT:** Stormy. Temps. 25 — 12 (77 — 54). **LONDON:** Cloudy. Temps. 18 — 9 (64 — 48). **MADRID:** Stormy. Temps. 22 — 12 (72 — 55). **NEW YORK:** Fair. Temps. 24 — 13 (75 — 55). **PARIS:** Cloudy. Temps. 20 — 11 (68 — 52). **ROME:** Fair. Temps. 24 — 13 (75 — 55). **TEL AVIV:** Hot and sticky. Temps. 35 — 19 (95 — 66). **ZURICH:** Stormy. Temps. 25 — 10 (77 — 50). **BANGKOK:** Stormy. Temps. 33 — 27 (91 — 81). **HONG KONG:** Cloudy. Temps. 28 — 23 (82 — 73). **MANILA:** Fair. Temps. 34 — 25 (93 — 77). **SEOUL:** Foggy. Temps. 28 — 14 (82 — 57). **SINGAPORE:** Stormy. Temps. 31 — 25 (88 — 77). **TOKYO:** Showers. Temps. 23 — 14 (72 — 57).

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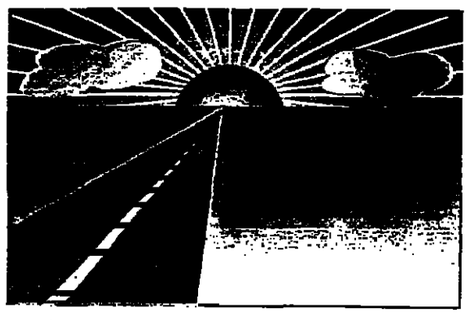
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ACROSS

1 Singer-dancer Lane
5 Famed violinmaker
10 Author of "A Death in the Family"
14 Adriatic wind
15 Comic actor Williams
16 Actress Overall
17 Oscar winner in "It Happened One Night"
19 ——-dieu (kneeling bench)
20 Sound equipment
21 Performed again
23 Hostelries
25 Powdery mineral
26 Actress Madeline et al
29 Pea container
32 Oscar nominee in "Fatal Attraction"
35 Take down —— or two
36 Proofreaders' marks
38 Exclamations of wonder
39 Criticizes, as a movie
40 Speechify
41 Audit makers
42 Former Bruin star
43 Short sock
44 Wife of Zeus
45 Sammy and Danny
47 Affirmative
48 Shrew
49 Destiny
51 Bangkok native
53 Opposite of premieres
57 Archer's quiver contents
61 "Charley's ——"
62 Oscar winner in "Mister Roberts"
64 Midway attraction
65 Japanese city
66 Tops
67 Russian emperor
68 Americans, to Aussies
69 Brief message

5/29/89

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DOWN

1 Rudiments
2 Cloth bundle
3 Scotch hillside
4 Certain jewelry
5 Inert gaseous element
6 Extinct N.Z. bird
7 What etc. is
8 Bathroom material
9 Awkward
10 Horrify
11 Oscar winner in "Sergeant York"
12 N.Y. canal
13 Supplemented, with "out"
18 Actors Maynard and Olin
22 Varnishes
24 —— Anderson, Tigers' manager
26 Material for pillow stuffing
27 S.A. armadillo
28 An Oscar winner in "On Golden Pond"
30 Papal cape
31 Abhor
33 Musical notation
34 Attempt
36 Slammer occupant
37 Asian holiday
41 Committee leader
43 Italian wine center
46 Bunny and egg time
48 Mad as a March ——
50 Savor
52 Late owner of the Chicago Bears
53 Haul
54 "The Bridge of San —— Rey"
55 Gauze, in Guernica
56 Analyze verse
58 Melville book
59 Custom
60 Snicker follower
63 White-supremacy org

Solution to Friday's Puzzle

		S	Q	U	I	D			T	I	G	E	R	
	P	O	U	S	S	E		R	E	S	U	M	E	D
C	O	L	O	N	E	L		E	C	L	I	P	S	E
O	M	I	T		R	A	R	A		A	D	E	P	T
L	O	C	I		E	N	O	L	A		E	R	I	E
E	N	I	D	S		O	M	E	N	S		O	R	R
S	A	T	I	N	S		A	S	T	A	I	R	E	
		A	I	L	A	N	T	H	U	S				
	C	O	N	T	E	N	T		O	R	I	O	L	E
T	A	P		S	E	T	I	N		A	N	T	E	S
A	B	E	S		T	I	C	O	S		G	R	A	S
M	A	R	A	T		O	S	S	A		L	A	V	E
A	R	A	M	A	I	C		T	I	S	A	N	E	S
R	E	T	O	U	C	H		E	G	E	S	T	S	
	T	E	S	T	Y			R	A	T	S	O		

Shifting 'Line' on Ethics Leaves U.S. Legislators Frustrated and Angry

By Dan Balz
Washington Post Service

WASHINGTON — A few weeks ago, during an interview about his investments, the House majority whip, Tony Coelho, articulated a concern now widespread in Congress:

"The line" on ethics, the California Democrat said, "is moving. And I don't know where it's going to stop, and it may not be healthy where it stops."

It may be a year or two, he said, before it does stop.

For many months, members of Congress have indicated uneasiness about what they say they see as a shift in the ethical standards applied to them by the public and the press. Now, with Mr. Coelho's announcement late Friday that he will leave Congress next month, and the expected resignation of the House speaker, Jim Wright, the explosion over ethics in Congress seems to have occurred.

'Clearly, the rules have shifted. If we're not careful, to be in public life, you're going to have to be the product of a virgin birth.'

Martin Franks, A CBS vice president

Tony Coelho

Reuters

Questions of ethics and money have become nearly a full-time preoccupation on Capitol Hill. Consider the agenda that has consumed the legislative branch this year: a humiliating uproar over pay raises; a bruising Senate fight over the nomination of John G. Tower, a former Texas senator, as secretary of defense, and the anticipated downfall of Mr. Wright over charges that he improperly accepted gifts and earned more income than allowed from sources outside the House.

Now comes the end of the House career of Mr. Coelho, whom even his Republican adversaries consider one of the most astute politicians in the United States, apparently because of a likely investigation into a $100,000 high-risk, high-yield junk bond investment.

The events of the year have left Congress demoralized, bewildered, frustrated, angry — "an institution in crisis," in the words of one lawyer with close ties to Capitol Hill. Members, who appear to have no clear sense of how to escape the ethical quagmire, are lashing out, especially at the press.

"We have entered a new era of ethical McCarthyism," said Representative Thomas J. Downey, Democrat of New York. "All you need say is: there's a question here or imply something wrong and it takes on a life of its own. It's guilt by innuendo."

Many members say they hope that with Mr. Coelho's announcement, the institution can begin to put the trauma of this period behind them.

But Fred Wertheimer, president of the government watchdog group Common Cause and a proponent of changing the rules on accepting political and personal money in Congress, argued that Congress could not go back to its usual business until it made "real changes in the institution."

Several factors have brought Congress to its crisis in public confidence. One is the reliance on outside money in the form of honoraria and the upward spiraling cost of campaigns, increasingly financed by interest groups' political action committees.

But changing public standards have caught Congress unprepared for the scrutiny now routinely applied to members accused of wrongdoing. And public cynicism toward the institution means that even the perception of impropriety can create a guilty verdict in the minds of many.

"Clearly, the rules have shifted," said Martin Franks, a former executive director of the Democratic Congressional Campaign Committee who is now a CBS vice president in Washington. "If we're not careful, to be in public life, you're going to have to be the product of a virgin birth."

"The institution is unable to deal with these issues on the merits," a Democratic lawyer said, adding that Mr. Coelho was "smart enough and savvy enough to see it and understand it — and courageous enough to act on it."

Kirk O'Donnell, who heads the Center for National Policy, a Democratic research and policy organization, said Congress had also fallen victim to another aspect of shifting public mores. "People are interested in the private lives of public officials as opposed to their public records," he said. "And they are more willing to believe that public decisions are influenced by private interests."

Angry Democrats are striking out at the Republicans, and both parties are assessing, with some nervousness, the outlook for the next round of elections.

"Republicans have shifted the terms of the debate," said an official close to Mr. Coelho. The congressman has been sharply attacked by the National Republican Congressional Campaign Committee for the junk bond deal that eventually brought about his resignation.

"They're no longer interested in partisan warfare on issues," the official said. "They are into destroying people's characters to gain political advantage."

"An absolute canard," replied John Buckley, spokesman for the Republican campaign group.

"It's not something we invented," he said of the charges against Mr. Wright and the questions raised about Mr. Coelho's junk bond deal.

Neither party appears to have the advantage at this point. Democrats note that on the same day Mr. Coelho announced his resignation, Representative Donald E. Lukens, Republican of Ohio, was convicted for contributing to the delinquency of a 16-year-old girl with whom he had had sexual relations.

The House minority whip, Newt Gingrich of Georgia, who has been the leading Republican critic of Mr. Wright, faces an ethics investigation over the promotion of a book he co-wrote. And Common Cause has asked for an investigation to determine whether Representative Joseph M. McDade, Republican of Pennsylvania, accepted gifts in violation of House rules.

Jockeying In House For Jobs

Gephardt to Run As Coelho Quits

Compiled by Our Staff From Dispatches

WASHINGTON — The unexpected announcement by Tony Coelho, the third-ranking House Democrat and the leading contender for the position of majority leader, that he will resign rather than face an ethics investigation has stepped up the jockeying for the party's leadership positions.

Representative Richard A. Gephardt of Missouri, a friend and ally of Mr. Coelho's and a former presidential candidate, immediately began campaigning for the position of majority leader.

Mr. Coelho, the majority whip, made his announcement late Friday. Jim Wright, who as House speaker is the leading Democrat in the chamber, is expected to step down within days amid a House inquiry over his own ethical practices.

Mr. Wright's post is widely expected to go to Thomas S. Foley of Washington, as majority leader the second-ranking Democrat.

Mr. Coelho had been expected to seek to replace Mr. Foley. But he said Friday that he would resign from Congress on June 15, his 47th birthday, rather than put his party and colleagues through an investigation of his finances.

The House is expected to investigate a 1986 investment by Mr. Coelho involving the purchase of $100,000 in high-risk, high-yield junk bonds underwritten by the investment firm of Drexel Burnham Lambert Inc. He has acknowledged failing to report on his House financial disclosure statement the help he received from a savings and loan executive in buying the bonds.

The Justice Department has confirmed that it has opened a preliminary inquiry into the purchase.

Some of Mr. Coelho's colleagues, battered from a yearlong investigation of Mr. Wright, had urged Mr. Coelho not to make himself a target of the Republican Party by running for majority leader.

On Saturday, Mr. Gephardt was in his Capitol Hill office calling colleagues to seek their support for his leadership bid. Representative Ed Jenkins of Georgia said Saturday that he was still seeking the job.

If Mr. Gephardt secures the position of majority leader, he will "unequivocally" abandon any plans to gain the Democratic nomination for president in 1992, a source close to him said.

(NYT, AP, UPI)

As U.S. Lotteries Sprout, Some Say Addiction Is in the Cards

By James Barron
New York Times Service

NEW YORK — Driven by the explosive growth of state-sponsored lotteries, gambling is becoming an American pastime.

Get-rich-quick advertisements and too-good-to-be-true jackpots have established legal lotteries as a middle-class sport, appealing to people far from the heart of the city, where the same kinds of games have long flourished in the form of illegal numbers rackets.

Some experts fear that America is turning into a nation of lottery addicts, the first step, they say, to a nation of gambling addicts.

These experts worry that the new legitimacy of once-illegal forms of betting is undermining traditional attitudes toward work and play, saving and investing, even right and wrong.

The increasing acceptance of the panoply of legal and illegal gambling is reflected in the size of the national pot: Americans wagered $241 billion legally and illegally last year, according to estimates by Eugene M. Christiansen, a gambling expert and consultant in New York — more than was spent on U.S.-made consumer electronics products or junk bonds.

Put another way, almost $1,000 was bet for every man, woman and child in the country. Much of that was gambled in the name of churches, charities and youth organizations that once frowned on betting, and governments that once tried to stamp it out.

So many governments and charitable organizations have jumped into the gambling business with various games that the amount bet on legal games is seven and a half times larger than the illegal pot, according to Mr. Christiansen.

Casinos still account for the largest chunk of the money wagered, though their share is declining as the total gambling pool expands.

When asked about seven major types of gambling, 63 percent of those questioned in a New York Times-CBS News Poll said they had placed some kind of bet in the last 12 months.

Nearly one in five reported betting in an office gambling pool; the same percentage had played card games for money. Two percent said they bet with a bookmaker.

The Times-CBS News survey, based on telephone interviews with 1,412 adults nationwide, was conducted April 13-16 and had a margin of sampling error of plus or minus 3 percentage points.

Experts say state lotteries have played the largest role in changing attitudes toward gambling.

In the Times-CBS News Poll, 49 percent of those questioned said they had bought a lottery ticket in the last 12 months — nearly three times as many as in a comparable poll conducted in 1982 by the Gallup Organization for Gaming and Wagering Business Magazine.

Part of the increase is due to wider availability: 10 states that did not have lotteries in 1982 have them now, and three more are setting them up.

And despite the general popularity of lotteries, Americans have doubts about how well legal gaming has delivered on its promises in the 28 states (plus the District of Columbia) where it exists.

The Times-CBS News Poll found only 29 percent are convinced that state lotteries have kept taxes down.

Nor have state-sponsored numbers games driven bookmakers out of business or put a dent in organized crime, as early sponsors predicted.

Half of those in The Times-CBS News Poll said they thought state-run games had actually helped the crime syndicates, while only 14 percent said it had hurt them. Forty-nine percent of the respondents said anti-gambling laws are not being enforced.

William Holmes, a retired agent in the gambling unit of the FBI crime laboratory, agreed. "Today, the priority is mostly drugs," he said. "Gambling enforcement has declined."

Never have there been more opportunities, legal and illegal, to gamble in this country. And never have more of those opportunities been legal. Rebecca Paul, treasurer of the North American Association of State and Provincial Lotteries, boasts that a traveler can drive from Maine to California and play a lottery in every state along the way.

The army is planning a lottery for soldiers stationed overseas, and towns from Gary, Indiana, to Lorain, Ohio, to Deadwood, South Dakota, are drawing up plans to join the rush to casinos.

On the illegal side, the new popularity is creating unlikely contrasts: junior-level investment bankers with master's degrees rubbing shoulders with bookmakers who broke into the business as numbers runners years before the investment bankers were born.

All this signals unprecedented change in Americans' gambling habits. Among the other changes are these:

- Women and teen-agers make up a larger segment of the new gambling public than ever before and are more likely to play lotteries than go to a casino or the race track, gambling experts say.
- Illegal sports betting on professional and college games is bigger than ever and growing, with an estimated $21 billion share of the national take.
- Technology is spurring new growth in the casino industry by making betting easier. New video slot machines are captivating younger players, and credit cards are replacing cash.
- Las Vegas has adapted to the changing gambling environment, and is booming. Far from being hurt by the debut of casino after casino in Atlantic City since gambling was legalized there in 1978, Las Vegas is flourishing by pitching gambling as one activity in a family-oriented theme park.

Gambling remains more popular in cities: 72 percent of those in large cities said they have gambled in the last 12 months, as against 54 percent in rural areas and small towns.

The Times-CBS News Poll also found that gambling is most widespread in the Northeast, much less so in the South: 76 percent of those questioned in the Northeast have gambled at least once in last year as against 43 percent in the South.

Foes of legalization fear that states are becoming too dependent on gaming revenue, as general funds are diverted for other purposes and lottery revenue substituted for them.

They also contend that legalization casts states in an uncomfortable and questionable role by glamorizing the same kinds of activities that could send numbers runners to jail.

"The rationale of legalization was there'd be less gambling, but there's more," said Vicki Abt, a sociologist at Pennsylvania State University who specializes in gambling.

"And it's the worst game in town, worse than roulette, worse than one-armed bandits. People assume that being state-run is like having the Good Housekeeping seal. But the odds on state lotteries are far worse than just going to a bookmaker."

Frank, a 50-year-old New York resident, disdains the state's Lotto as "a sucker's bet." He lost $21,000 in one week in 1985. His losing streak continued until he was $70,000 in debt at the end of 1988, when he joined Gamblers Anonymous.

Jack, a 43-year-old New Yorker, said the most he had won in a single day is $6,000 at the race track and $13,000 in an Atlantic City casino. "I can't bet $25 or $50 and get any enjoyment," he said. "Unless I bet $250 or $500, I don't get any enjoyment."

Refugee in U.S. Tries to Divert Airliner to Cuba

New York Times Service

MIAMI — A man with a history of escapes from psychiatric institutions who said he had a bomb has been arrested after he demanded that the pilot of a passenger jet bound for Miami fly to Cuba. He was taken into custody in Miami after two hours of negotiations with federal officials.

The attempted hijacking took place on Saturday, 10 years to the day since the man, Pedro Rene Comas-Banos, 37, migrated to the United States from the Cuban port of Mariel.

William A. Gavin, a special agent with the Federal Bureau of Investigation, said that Mr. Comas-Banos had flown Saturday from Los Angeles to Dallas, and then taken American Airlines Flight 1098 for Miami.

Shortly after takeoff, Mr. Comas-Banos indicated that he had a bomb in his briefcase and that he wanted to go to Cuba. The pilot told Mr. Comas-Banos that there was not enough fuel for the flight, and after circling Miami for a half an hour, the plane landed and authorities began negotiations with him.

A pistol, but no bomb, was found among Mr. Comas-Banos belongings.

DEMAIN, EN AVANT-PREMIÈRE DU CNIT

L'avenir appartient à ceux qui écoutent tôt.

•

Au CNIT, écoutez battre le cœur des échanges internationaux. Le WORLD TRADE CENTER - PARIS LA DÉFENSE et Radio Classique Affaires : 6 jours d'informations toniques pour vivre à l'heure internationale.

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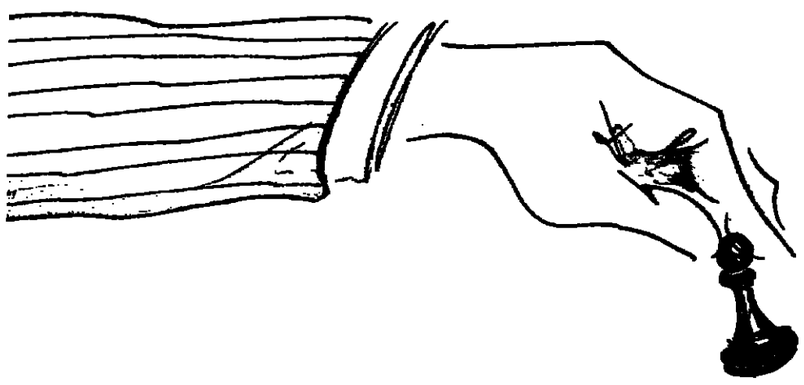

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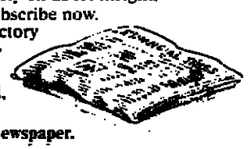

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ARMS: *U.S. Caution*

(Continued from page 1)

and Western Europe of NATO's negotiating proposals as too narrow and timid.

Mr. Baker also said the issue of short-range nuclear missiles in West Germany would not be the main focus of the NATO meeting. The United States is resisting West Germany's efforts to begin negotiations with the Soviet Union on reducing the number of such missiles which have a range of less than 500 kilometers (about 300 miles).

He reiterated the U.S. position that the modernization of such weapons should be delayed, that any talks would rule out the total elimination of the missiles and that "any negotiations must await, at the very least, tangible implementation successful conclusion of a conventional forces agreement."

Mr. Scowcroft said that West European nations are "a little more complacent about the course of events and their perpetuation than we are," a reference to pleas on the Continent, particularly from West Germany, for a speeding up of negotiations on disarmament.

He added that Mr. Bush did not feel "under any compulsion" to match the arms moves made by President Mikhail S. Gorbachev.

Speaking on the same program, Volker Rühe, deputy majority leader of the West German legislature, said, however, that Bonn hoped the Brussels summit meeting would "bring NATO more into the offensive."

He also questioned how the United States could ban negotiations on short-range missiles when it has already reached agreements with the Soviets on intermediate range weapons and is negotiating on strategic missiles.

"This way is not acceptable to us," he said, because the remaining short-range missiles "could only be used on German soil."

Dominique Duclouble/Reuters

Andrei D. Sakharov after addressing a rally Sunday in support of Boris N. Yeltsin. Mr. Sakharov was angry at what he termed the authorities' manipulation of the new Congress of People's Deputies.

MOSCOW: *Election to Supreme Soviet Spurs Protests*

(Continued from page 1)

sin, the ousted Moscow party leader who won his seat in congress with nearly 90 percent of the city's popular vote. The rejection of a deputy with such support casts doubt on the credibility of the congress and makes Mr. Yeltsin a potential focus for popular unrest.

It was Mr. Yeltsin's name that drew the angriest shouts at Sunday's rally near Luzhniki Stadium, where about 8,000 people listened to speeches and waved placards condemning the congress.

"Yesterday showed that the force of the bureaucratic apparatus is still strong," said Vladimir A. Tikhonov, an economist who was rejected for the Supreme Soviet.

The defeat of the insurgents appeared, at least in part, to be the organized work of the Communist Party machine. Some deputies claimed that delegations from Central Asia, a stronghold of party regulars, were seen carrying lists into the voting booths, telling them which of the Moscow radicals to cross from the ballot.

But the Moscow group also fell victim to hostility in the provinces toward the capital's intellectuals.

Moreover, the Moscow deputies set themselves up for defeat by nominating 55 deputies for their region's 29 allotted seats in the legislature, thus offering the congress the chance to scratch off the names of the most outspoken.

The Muscovites said they intended to demonstrate the principle that all elections should be competitive.

A deputy from Estonia, Marju Lauristen, was glum at the prospect of a legislature stripped of some of the most adventuresome political figures.

"I don't see many people there I can work with," she said. "The Moscow group decided that they would show everybody the right way to be democratic, but it was a costly mistake."

But Arkadi Murashev, one of the Moscow deputies scratched from the ballot, said the defeat would speed the pace of change by exposing the backwardness of the majority in the congress and by building public indignation.

"If we had agreed to play by the rules, maybe we would have got another 10 democratic, progressive deputies into the Supreme Soviet," he said. "But so what? We would still be a long way from a being able to change anything."

He added: "This way we have exposed the obscurantism of the congress, and perhaps we can use that to get the system changed."

NATO: *Harm for Bonn*

(Continued from page 1)

government officials said last week that Mr. Kohl had become Mr. Genscher's political hostage because of electoral setbacks, disarray in his own Christian Democratic Union and the government's dependence on Mr. Genscher's Free Democratic Party.

Mr. Genscher reportedly threatened last week to bring down the coalition government if Mr. Kohl accepted a compromise at the summit that subordinated West Germany's disarmament initiatives to an alliance accord.

Mr. Genscher, a U.S. official said, "can accept a NATO deadlock that enables him to say he blocked modernization and edged the alliance toward negotiations."

But the Bush administration, U.S. officials said, has signaled a new readiness to consider radical changes in relations with West Germany. Although U.S. officials ruled out a unilateral U.S. step, the Bush administration has opened the normally taboo subject of troop cuts in Europe, which would affect West Germany directly.

■ Danish Disarmament Poll

Nearly a third of Danes believe that the Soviet Union is more committed to disarmament than the United States, a poll published Sunday in Denmark indicated, United Press International reported from Copenhagen.

In the poll, published in the daily Jyllands-Posten, 31 percent said they thought the Soviet Union was "most committed" to disarmament, while only 11 percent said that of the United States.

Thirty percent said that both superpowers were equally committed, 18 percent felt neither country was particularly interested and 10 percent had no opinion.

JAPAN: *Nakasone Resignation Clearing Way for Uno*

(Continued from page 1)

resignation might make Mr. Uno more palatable to voters.

Other leaders, however, said they doubted Mr. Nakasone had gone far enough.

One party elder, Toshio Komoto, reportedly said that Mr. Nakasone had three choices: to leave politics altogether, resign from the Diet, or quit the party.

"Of the three, this is the lightest," Mr. Komoto said, according to Japan Broadcasting Co. news.

It also remained to be seen whether the choice of Mr. Uno, 66, to replace Mr. Takeshita would satisfy public pressure for sweeping reform of Japan's "money politics."

Mr. Uno, 66, headed the Defense and Trade Ministries before his current portfolio. Before leaving Tokyo on Sunday for international conferences of the Organization for Economic Cooperation and the International Energy Agency in Paris, he said he had "not yet" been designated as the next prime minister. "I am still acting in my capacity as foreign minister," he said.

■ Opposition to Uno

Mr. Uno wields little power in the party and has major detractors within it, United Press International reported from Tokyo, quoting political analysts.

News reports said Michio Watanabe, deputy in the Nakasone faction who holds the important post of policy affairs chairman, is against the Uno selection. Other key Uno detractors, according to the reports, are Masayoshi Ito, 75, who earlier rejected the job in favor of a younger leader, and a senior party leader elder, Raizo Matsuno.

Mr. Takeshita began a series of meetings with party leaders Sunday in a bid to smooth over those rifts. He met Sunday with a former prime minister, Takeo Fukuda, who turned down the job himself but favors Mr. Uno, and scheduled talks Monday with Mr. Suzuki.

As Mr. Takeshita's foreign minister, Mr. Uno has played a key role in boosting Japan's international image, traveling extensively in the past year from Washington and Latin America to Moscow, Beijing and the Middle East.

■ Diet Session Extended

The party voted Sunday to extend the current session of parliament to elect a new premier and clear a backlog of bills built up during the Recruit scandal, Agence France-Presse reported.

Despite a boycott and protests by the opposition, the party used its majority to force the lower house to convene in the early hours Sunday and add 25 days to the 150-day session which would have ended Sunday.

PHYSICS: *If Not Quarks, What Might Have Been*

(Continued from page 1)

Prize in Physics last year for their contribution to understanding about particles.

"We might have had some other universe where CP is not violated, and that would have been a universe of pure radiation," Mr. Lederman said. "That small asymmetry meant that when all the matter and antimatter gobbled each other up, a little bit of matter was left over — about one in 10 billion objects."

James W. Cronin of the University of Chicago and Val L. Fitch of Princeton University, who jointly received a Nobel prize in 1980 for their discovery of the phenomenon, were at Chambord to bask in congratulations. They joined nearly 200 physicists who attended a week of seminars and lectures about the subject in the nearby château of Blois.

Andrei D. Sakharov, the Soviet physicist who wrote a key paper that first explained the significance of CP violation, was due to attend but remained in Moscow to attend the National Congress of People's Deputies, to which he has been elected a member.

Mr. Cronin recalled the experiment at the Brookhaven National Laboratory as "a pile of equipment, a mass of cables and a lot of stuff that barely was working."

It took the team six months to interpret the filmed results of the experiment involving a weak interaction between unstable subatomic particles known as K-mesons, or kaons.

Conventional wisdom held that positively and negatively charged particles should have canceled each other out. Instead, a few positive particles evanescently survived, "a crazy result that we didn't expect at all," Mr. Cronin said.

"The furthest thing from my mind at the time was that our experiment would have such a profound effect on physics," he said.

Henry Kasha of Yale University said: "This little asymmetry may be the reason for the basic creation of our universe.

"We have not found universes made of antimatter, and there should be. If they do not exist, it is only because there is a symmetry-breaking" between matter and antimatter.

"Now this symmetry-breaking is very small today," he said. "But it was probably major immediately after what Leonardo da Vinci would have called the act of creation and what we today call the instance of the big bang. So we think the universe was created symmetrically and then the symmetry got broken and the anti-symmetrical forms evolved in which we live."

Leonardo, whose mind ranged freely into the future, spent the last years of his life at Amboise, a few miles from Blois.

One of the most exciting developments at the Blois conference, many scientists said, was the convergence between particle physicists and cosmologists in the study of CP violation.

Jean Audouze, a cosmologist and scientific adviser to President François Mitterrand, said the infinitely small held the key to understanding the infinitely big.

"You do not understand the universe as a whole if you do not understand what happens at the level of the particles," he said. "That's maybe what we have discovered during these past 25 years."

It is perhaps too early to say whether the discovery of CP violation will rank with Newtonian physics or Einsteinian relativity among the advances that change mankind's whole philosophical outlook.

Does it, for example, indicate a purpose in the universe?

"Some days I think yes, some days no," Mr. Audouze said. "The universe is not uniform. And the universe is structured. And these two things are amazing. The universe is not something that happened at random."

According to Jean Trân Thanh Vân, of France's National Center for Scientific Research, the discovery "changes the logic of our thinking."

"Now we have a philosophy based on tiny differences," he said, "and it is these tiny differences that lead to our existence and to our universe. It could have been the antimatter that dominated but that would have meant a totally different world. Generally things do not happen by chance."

Andrei Linde, a professor of physics at the Lebedev Physical Institute in Moscow, said: "In order to get real people, you must produce real particles. And in order to produce them, you must have CP violation."

> **'What comes first, mind or matter? Which is more important? I do not think we have answered those questions. It may be that thinking that only matter matters is too simple.'**
> **Andrei Linde, professor of physics**

The paradox, he said, is that this asymmetry produced the ordered universe described by euclidean geometry.

Yet Mr. Linde has questioned the prevailing theory of a universe expanding exponentially in a void. Instead, he sees it as an eternal, self-reproducing entity divided into many mini-universes.

"What comes first, mind or matter?" Mr. Linde mused. "Which is more important? I do not think we have answered those questions. It may be that thinking that only matter matters is too simple."

Could he, then, conceptualize a universe of pure mind? "Oh, yes, I can," he replied.

Mr. Lederman, director of the Fermilab National Accelerator Laboratory at Batavia, Illinois, called CP violation "maybe the third revolution of the 20th century."

And he said it was starting to have an impact on philosophy "because we particle physicists have been joined by the astronomers."

"I think that the connection between the infinitely small and the infinitely vast is beginning to get to people," he said. "Why? Because not many people have wondered about a quark but everyone looks at the night sky and asks: 'What's up there? How did it get there? And why am I here?' "

A Blue-Chip Start in 1989

After its record year of profitability in 1988, BASF is continuing its dynamic upward trend in growth and earnings in 1989.

Group pretax profits surged almost 26% in the first quarter to DM 905 million, compared to DM 720 for the same period a year earlier. Group sales increased to almost DM 12 billion, up 14%. BASF AG, the parent company, posted a gain of 43% in pretax profit to 489 million on turnover of nearly DM 6 billion.

Steady demand for chemicals, plastics, dyes and finishing products plus even higher capacity utilization and the ongoing shift in emphasis to higher value added products were among the decisive factors contributing to these results.

Capital spending was boosted by 29%, from DM 524 million to DM 675 million in line with a 27% increase in 1988 when it reached DM 3.5 billion.

Promising Outlook

Based on the results achieved in the first three months and the positive outlook for the world economy for 1989, BASF and its shareholders can look forward to another rewarding year.

In the longer term, BASF is excellently positioned as one of the world's leading chemical companies to maintain and enhance its blue-chip status. The Group's long-range strategy – to further solidify its financial base, strengthen its product and geographical diversification, intensify its commitment to R & D, and reinforce earnings potential through substantial investments – makes BASF a company well worth watching.

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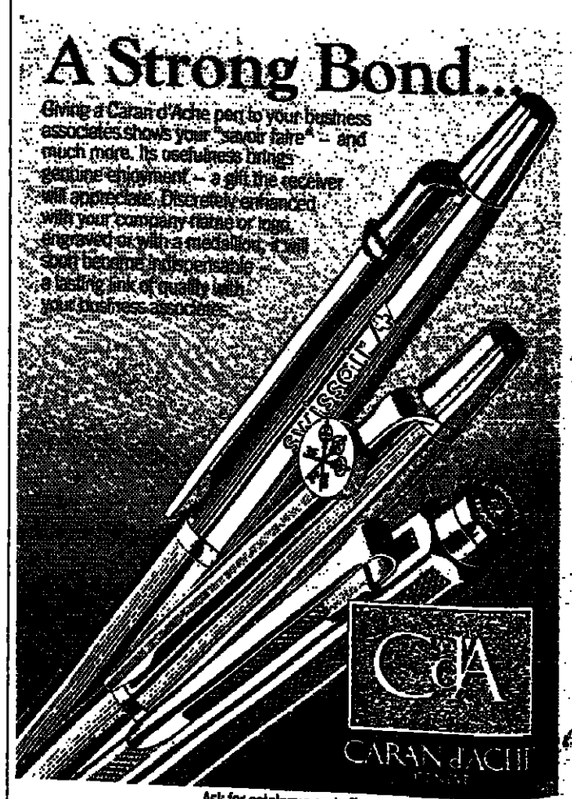


AMERICAN TOPICS

For California Farms, Organic Crops

Several of California's largest farms have begun experiments in growing crops organically, without synthetic chemicals, The New York Times reports. In the Salinas Valley, Nunes Co. is planting 42 acres (17 hectares) of iceberg lettuce to be raised solely with natural substances. Pandol Brothers Inc., and Marko Zaninovich Inc., two of the largest farms in the San Joaquin Valley, are growing their table grapes organically.

California law defines organically grown food as any raw agricultural commodity "produced, harvested, distributed, stored, processed and packaged without the application of synthetically compounded fertilizers, pesticides or growth regulators."

Until now, organic farming has been almost solely the province of small farms. If the California experiments prove profitable, growers are likely to discover more than new markets for their crops. Farming without synthetic chemicals is less polluting.

In hot and dry climates like California's, organic techniques can be less expensive and more productive than conventional ones.

Short Take

A U.S. District Court Judge, Charles Richey, has struck down a Washington, D.C., teen-age curfew for the second time this year. In February the city council said no one under 18 could be outdoors except in connection with "legitimate employment" from 11 P.M. to 6 A.M. weeknights and midnight to 6 A.M. on weekends. In March, Judge Richey ruled the ordinance overbroad and unconstitutional. In April, the council made further exceptions — for example, for juveniles with their parents or returning from church-related functions. The judge ruled last week that the law violated constitutional guarantees of free assembly and due process.

Notes About People

Sir Peter Hall, former director of Britain's National Theater, plans to take "The Merchant of Venice," starring Dustin Hoffman, from Britain to Broadway next year. He said he hoped to hire an all-American cast for the U.S. production. Sir Peter said he considerd American speech "beautiful in itself," and, voicing agreement with many scholars, "much more like Elizabethan speech" than modern British English.

Former Vice President **Walter F. Mondale** said last week that he would not enter the 1990 race for a U.S. Senate seat in Minnesota and would not seek any other elective office. Mr. Mondale, 61, was the Democratic presidential candidate in 1984. He currently is practicing law in Minneapolis. Mr. Mondale said that he and his wife, Joan, after more than 30 years in the "political pressure cooker" were enjoying private life. He had been considered the strongest potential candidate against the incumbent Republican, Rudy Boschwitz, 58. Senator Boschwitz said he greeted Mr. Mondale's decision with "a sense of relief."

Arthur Higbee

Jim Mone/The Associated Press

Former Vice President Walter F. Mondale, now practicing law, announcing he would not seek a U.S. Senate seat in 1990.

U.S. Said to Give Nuclear Aid to French

By Charles Mohr
New York Times Service

WASHINGTON — In a highly secret arrangement, the United States has long provided substantial covert assistance to the French nuclear weapons program, apparently in violation of U.S. law, an authority on international relations says.

Under the arrangement, Washington furnished information to France on how to design and build nuclear weapons and to deliver them by missiles and aircraft.

It has been highly beneficial to both countries and has encouraged a de facto reintegration since the mid-1970s of France into North Atlantic Treaty Organization defense plans, from which France withdrew in 1966, the authority on international relations, Richard H. Ullman, wrote in an article for the summer issue of Foreign Policy magazine.

According to Mr. Ullman, the agreement to share secret nuclear information with France was instituted more than 15 years ago by President Richard M. Nixon and his national security adviser, Henry A. Kissinger, who was also secretary of state.

The agreement has been endorsed and approved by every president since, and was followed with special vigor in the Carter administration, Mr. Ullman said.

Mr. Ullman, a professor of international affairs at Princeton University, worked on the policy planning staff in the Defense Department and the National Security Council in the 1960s, and has also been an editorial writer for The New York Times.

A technique known as "negative guidance," sometimes called "20 questions," was used to circumvent U.S. law that forbids transfer of restricted nuclear data.

In many years of what is described as perhaps the best-kept secret in recent Washington history, U.S. scientists were permitted to listen to French descriptions of that country's research programs and give guidance as to whether the French were on the right track, the article said.

When asked to comment on the Ullman article, a Pentagon spokesman, Lieutenant Colonel Keith Schneider, confirmed some aspects of it, but said the data exchange was not illegal and was consistent with existing agreements.

There have been several meetings involving American and French technicians every year since 1972 under the terms of a 1961 agreement on nuclear cooperation, Colonel Schneider said. In 1985, that 1961 agreement was amended to encompass other forms of cooperation.

"What we are talking about is a 1985 amendment to a 1961 agreement," he said.

"The 1961 agreement between the United States and France provides for exchange of classified information on military planning and protection against nuclear weapons affects and the operation of delivery systems.

"France withdrew from NATO's integrated military structure in 1966. Following that, exchanges of unclassified nuclear information were resumed in 1972. They were aimed at improving our mutual understanding of technologies in order to enhance our mutual understanding of nuclear safety and measures to deal with nuclear weapons accidents."

The United States did not furnish actual designs or pieces of equipment, which would have been a clear violation of the law, but the exchanges of data between scientists had been so unrestrained, one official said, that officials sometimes worried about how much data had been given.

The secrecy was much less important to the United States than it was to French politicians, who did not want to violate the Gaullist doctrine of French military independence from the United States.

The secrecy was much less important to the United States than it was to French politicians, who did not want to violate the Gaullist doctrine of French military independence from the United States and the public illusion that the French nuclear striking force was entirely home grown, Mr. Ullman said.

The guidance probably saved France great expenditures and effort by steering it away from research paths that the more mature U.S. nuclear weapons program had already found flawed.

Mr. Ullman said it also probably permitted the French to develop independently targetable multiple warheads — the basis of modern nuclear striking power — much sooner than would have been the case otherwise.

In turn, the article said, French presidents and generals had agreed to coordinate target plans for their nuclear warheads much more closely with U.S. plans.

But the French did not forgo a city-killing target plan that it would use against the Soviet Union in case the United States refused to use nuclear weapons to forestall an invasion of France.

According to the International Institute for Strategic Studies in London, the French now have 96 multiple warhead nuclear missiles on six submarines, and 18 ballistic missiles capable of reaching the Soviet Union in ground silos.

They also have 18 long-range Mirage bombers and 38 navy planes that could carry nuclear weapons to some targets. The army has 32 shorter range surface-to-surface missiles.

The French nuclear forces, like those of Britain, were not covered by the 1987 U.S.-Soviet medium-range missile treaty.

The French-U.S. cooperation agreement has been of less significance in recent years as the French weapons research program developed and became less dependent on outside assistance, Mr. Ullman said.

Any taint of illegality may have been erased in 1985 when the United States and France negotiated a new executive agreement that permits sharing of restricted nuclear data.

Department of Defense officials told Mr. Ullman that the agreement was submitted to Congress, but Mr. Ullman said it was not clear that important figures on Capitol Hill had been aware of it or grasped its significance.

Mr. Ullman said his article was based on over 100 interviews in two years in the United States and in France with former and present officials, including many in "the most sensitive positions."

One former Nixon administration official, asked to comment on the article, said, "People usually leak things to get them stopped; I don't think anyone thought this program should or would be stopped."

The decision in 1974 by Mr. Nixon and Mr. Kissinger was a watershed in U.S.-French relations.

Previously, Congress and presidents had believed that a "third decision-making power" on the use of nuclear weapons was dangerous.

The Nixon team, Mr. Ullman said, decided that this was a good thing on the ground it would increase uncertainty in the Soviet Union about a calamitous response to military aggression.

Moreover, he wrote, nothing could apparently dissuade the French from achieving independent nuclear status.

France had already exploded a fission weapon in 1960 and a fusion weapon in 1968, years before the agreement went into effect. But refinements needed for an effective striking force apparently did grow out of the exchange of information, the article said.

Mr. Ullman wrote, for instance, that "The French sought and received advice on miniaturizing their warheads," which is necessary for independently targetable multiple warheads, "and on shielding them from electromagnetic radiation generated by nearby nuclear explosions."

Information on missile design and how to conduct underground tests was also passed on, he said. Transfer of that kind of data was not prohibited by law.

Moreover, the article said, "the United States has made available intelligence data on Soviet targets and how they are defended," which could keep the French deterrent viable.

The fruits of the U.S. initiative have been many, Mr. Ullman suggested, leading to a diplomatic intimacy not much understood outside the highest U.S. and French circles.

He said that military cooperation between the once estranged partners was "extraordinary" in part because "its full extent is unknown not only to the publics and to nearly all the elected politicians of the various countries involved but also to the most senior — let alone junior — civilian political-military bureaucrats in their foreign and defense ministries."

Mr. Ullman wrote that officials of both countries saw the political significance of the arrangement as even greater than its military value.

U.S. Ship that Shot Jet Is Given a New Captain

United Press International

SAN DIEGO — Captain Will C. Rogers 3d stepped down as commander of the USS Vincennes in ceremonies that commended the crew but made no mention of the fact that the cruiser mistakenly shot down an Iranian airliner, killing 290 people. Captain Rogers was relieved by Captain Robert Lynch after what the Navy termed a standard stint as Vincennes captain.

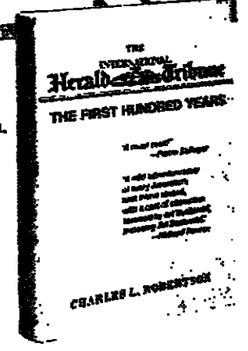
Captain Rogers's wife, Sharon, narrowly escaped injury March 10 when her minivan burst into flames at a traffic intersection near the Rogers's home in San Diego. Although the cause of the explosion has not been officially determined, the FBI has not ruled out the possibility that it was the work of Iranian terrorists seeking revenge for the destruction of the airliner July 3, 1988, over the Gulf.

23 Die on Gallows in Iran

United Press International

MANAMA, Bahrain — Iran executed 23 persons by hanging on Sunday, including two Turks and four women, after Islamic courts found them guilty of drug trafficking and running brothels, the official press agency IRNA reported. At least 793 people have been sent to the gallows or stoned to death in Iran since January.

THE FIRST HUNDRED YEARS



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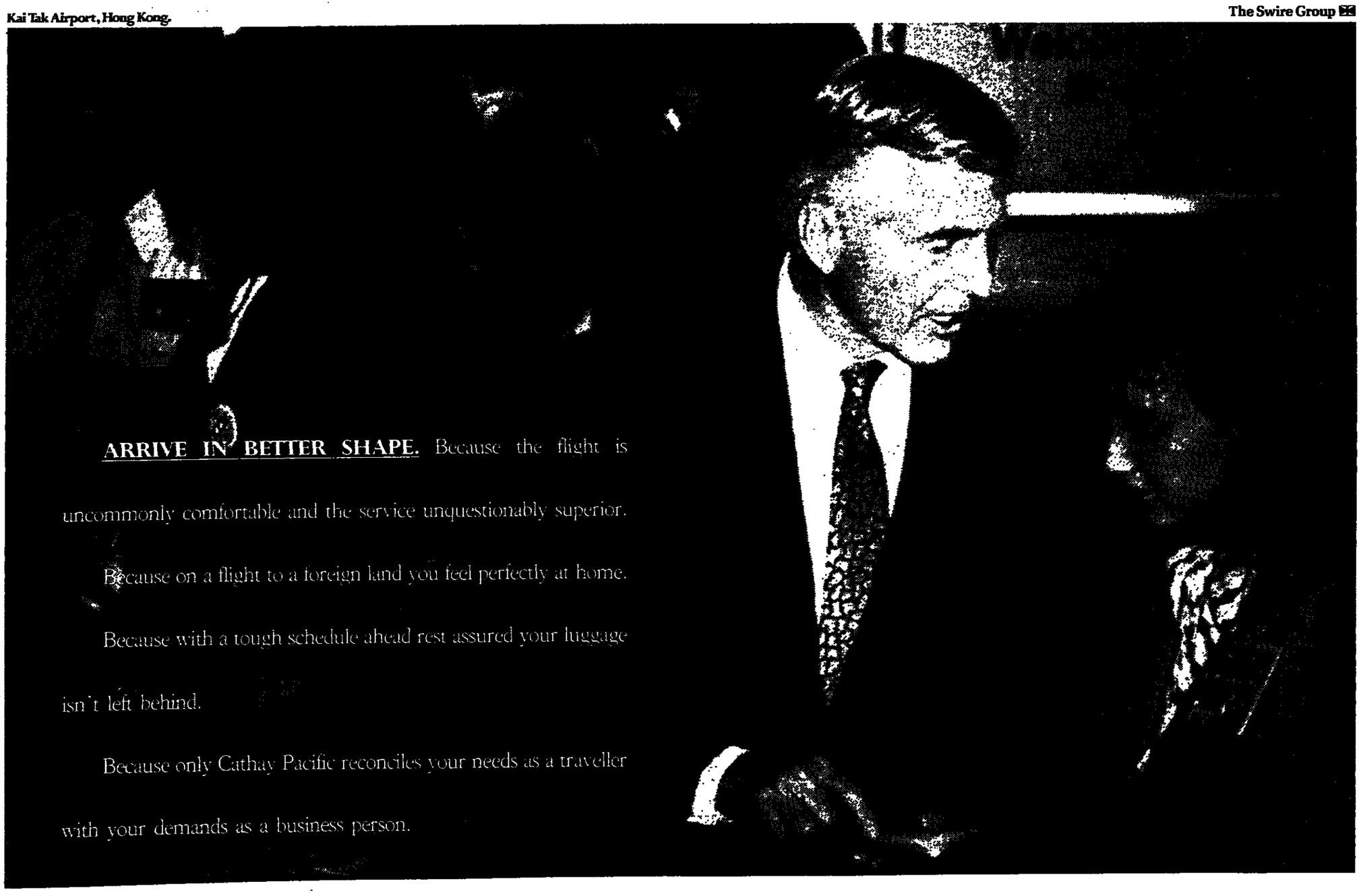

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Marcos's Shadow on Manila

Ex-Leader, Reported Near Death, Is at Center of Debate

Steven Erlanger
New York Times Service

MANILA — As the Philippines awaits the death of Ferdinand E. Marcos, it is consumed with what some are calling "necropolitics," a morbid mixture of squabbling and atonement so intricate that it needs a psychoanalyst or a priest to unravel.

The exiled former president is attached to life-support systems in a hospital in Hawaii and seems to be dying. But there is such an abiding and, at times, irrational respect for Mr. Marcos's powers of recuperation and subterfuge that some Filipino politicians say they will be satisfied only if they can personally implant a stake in his heart.

Some diplomats say that only Mr. Marcos's death will allow the country to confront its poverty, overpopulation, underdevelopment and leftist insurgency.

President Corazon C. Aquino, who symbolized the peaceful revolution in February 1986 that overthrew Mr. Marcos, has declared that her government will not allow him to return, alive or dead, despite repeated pleas from his wife, Imelda.

Mrs. Aquino says she fears that Marcos supporters will make a talisman of his body, parade it around the country and create instability.

Comparing the country to someone recovering after being ill for 20 years, the period of Mr. Marcos's rule, Mr. Aquino said that just because the patient "is growing stronger does not mean that you are going to expose him to infection."

Mrs. Aquino said she feared supporters of Mr. Marcos would exploit his death and his corpse like her followers used the murder of her husband, Benigno S. Aquino Jr., whose funeral in 1983 brought nearly two million people into the streets and represented the beginning of the revolution.

Mrs. Aquino's comments brought criticism from supporters and opponents. Her former speech writer, Teodoro L. Locsin Jr., now publisher of The Philippine Daily Inquirer, called the comparison with Mr. Aquino and Mr. Marcos an insult to her husband and to those who marched beside his body.

"We would be nowhere without Ninoy walking to his assassination," Mr. Locsin said, using Mr. Aquino's nickname.

A former Marcos cabinet member, Blas F. Ople, said Mrs. Aquino had contradicted her own government's claim to have established political stability and to be prepared for any eventuality. "These claims are challenged by this irrational fear of a corpse," he said.

Mr. Ople is the executive vice president of the newly revived Nationalist Party, which brought Mr. Marcos to the presidency. After declaring martial law in 1972, Mr. Marcos created his own political organization, and the party lapsed until its revival last weekend.

Mr. Ople is demanding a state funeral for Mr. Marcos, saying it is a way for the government to control the event.

Mr. Marcos has been associated with three coup attempts during Mrs. Aquino's term, but not with the last and most serious in August 1987.

Since then, the government has boasted of its stability, calling Mr. Marcos a spent force. Still, as the diplomats point out, the Marcoses have a great deal of money, and there are many Filipinos happy to take part in demonstrations for $4 or $5 a day.

But many politicians and some of the diplomats say that after Mr. Marcos's death, Mrs. Aquino should allow him to be buried in his home province of Ilocos Norte, where his mother has been lying in state for more than a year, supposedly awaiting the return of her son.

"It would be the best form of exorcism," a diplomat said. "It's time to move on."

Chang Sung Won/Reuters

BREAKING UP TEACHERS' PROTEST IN SEOUL — Plainclothes policemen at Hanyang University hauling away one of 300 teachers gathered for a sit-in to denounce a crackdown on their union. Most teachers are government employees, and Seoul prohibits unions for civil servants.

Seoul Moves to Curb Anti-U.S. Protests

New York Times Service

SEOUL — No one was surprised when student radicals declared that they would devote the next two weeks to anti-American themes. "We're used to it," a U.S. diplomat said.

But U.S. and South Korean officials say they have been increasingly concerned about inflaming hostilities toward the United States among the general population of such a close ally as South Korea.

President Roh Tae Woo established a cabinet group Thursday to deal with issues causing strain with Washington. His aides appealed to radical protesters to stop engaging in acts that might provoke a negative reaction in the United States.

"It is not anti-Americanism as such," a Foreign Ministry official said. "It is just that our relationship with the United States is changing, and there is greater willingness to criticize and demand treatment as an equal."

Many Korean officials and businessmen have privately expressed the opinion that President George Bush made a serious error in his nomination of Donald P. Gregg as ambassador to Seoul. Mr. Gregg was involved in the Iran-contra affair while national security adviser to Mr. Bush, then vice president.

The choice is also criticized because Mr. Gregg served in Seoul in the early 1970s as the station chief for the Central Intelligence Agency. Such a background is widely considered inappropriate now that South Korea is trying to throw off its legacy of military dictatorships.

"It's so insensitive," said a prominent Seoul businessman, adding, "We're getting a signal that Washington is more comfortable with the old relationship."

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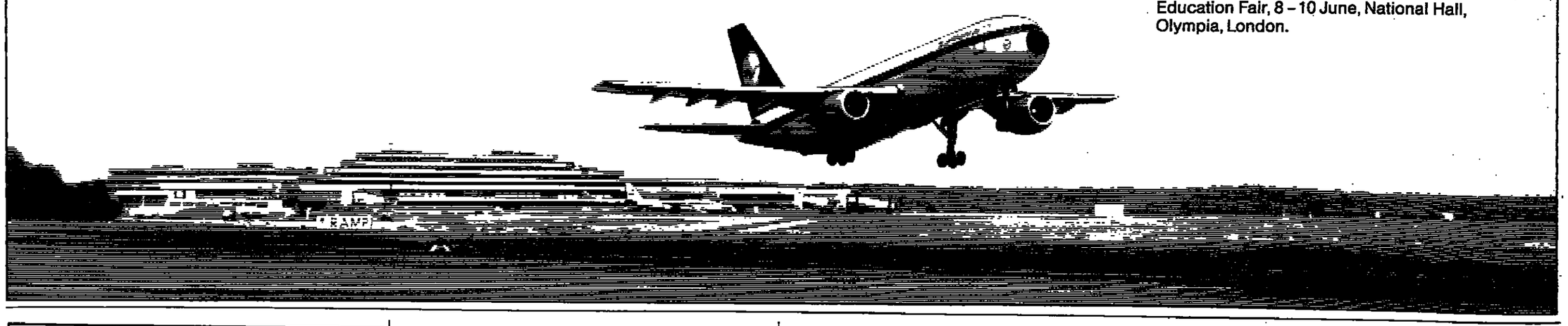

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From Wall Street To Beijing Square

By Sheryl WuDunn
New York Times Service

BEIJING — When Gao Xiqing, a former Wall Street lawyer, spent the night on Tiananmen Square in solidarity with his students who were demonstrating for democracy, he was shaken awake at 2 A.M. by a friend who told him that armed troops were trying to move in.

The night passed without incident, but this was not the kind of risk that Mr. Gao had contemplated when he left his New York job last year on a personal mission to help modernize China.

Mr. Gao, 36, said he returned to his homeland because he believed that there was great hope for China and that the country needed U.S.-educated people like him to negotiate its way through this stage of dramatic change.

He took a job teaching law at his old university in Beijing and he began working on a project to establish a national stock exchange in China. Above all, he was going to work within the system, to build the institutions that could push the country forward.

"Building the economy is the best way to change China," Mr. Gao said two months ago, before the student movement began.

"In the long run, what we're doing with the stock exchange is more effective than sending off petitions. It's the most effective way to create a more democratic nation."

But now, after seeing his law students put their careers, and even lives, on the line for the democratic movement, he is changing his mind. As his dreams started to shatter, Mr. Gao began turning into a rebel.

He has already been told by school authorities that he has been singled out as a troublemaker and stands to lose his job if there are widespread purges of intellectuals involved in the democratic movement.

Mr. Gao's story is especially poignant because it is about the disillusionment of a bright young Communist Party member, fiercely dedicated to concepts of democracy, personal rights and egalitarianism that he has believed in ever since he first read Karl Marx.

Until recently, Mr. Gao had been throwing all his energies into his teaching and into the stock exchange. Often sleeping for only four hours a night, he worked furiously to draft China's first securities law.

But all that seemed to vanish one day after he asked the whereabouts of one of his students. He was told that she had been on a hunger strike in Tiananmen Square for several days already.

"I was shocked that a person would do this," Mr. Gao recalled. "I had told my students that democracy is a long process, that you can't put a timetable on it. But when they started the hunger strike, I felt obliged to support them."

His students at the University of International Business and Economics, one of China's most prestigious schools, were the last to join the demonstrations. Of all the students in Beijing, they tend to have the greatest vested interest in the current system; they get the best jobs with the highest pay in foreign corporations.

Mr. Gao graduated from the same university and then lived in the United States for six years until his return last summer. He attended Duke University Law School and became the first citizen of the People's Republic of China to pass the New York State bar exam.

Later, he worked at Mudge, Rose, Guthrie, Alexander & Ferdon and became an adjunct associate law professor at Duke.

The trappings of life in the United States were a far cry from the deprivation he had experienced as a child.

During the Cultural Revolution, his father was jailed for five years and his mother was sent away to the countryside. For nearly two years, Mr. Gao, a homeless teen-ager, roamed the streets, hunting for food.

Once he walked 30 kilometers (18 miles) to the home of relatives, only to be told that they had no food to give him. "We'd go out and steal from shops and military camps," he acknowledged.

But during that time, Mr. Gao read all of Mao's works, and he read Marx, Engels and Lenin.

Now, as rumors of arrests of intellectuals circulate increasingly throughout the capital, Mr. Gao worries about being banished again to that kind of life. He says he believes he will not be allowed to leave the country to return to Duke to teach.

Kevin Lamarque/Reuters

A Hong Kong demonstrator shouting as he holds aloft a portrait of Sun Yat-sen, the founder of the Chinese republic, during a large pro-democracy demonstration in the British colony on Sunday.

CHINA: *Protesters Marching On*

(Continued from page 1)

bles the accounts given of it by those who heard it.

In the text, Mr. Yang criticized Mr. Zhao for refusing to go along with the party's hard line toward the students, saying this was the principal reason for the democracy movement's growth.

"The movement started among the students, but the root cause is inside the party," Mr. Yang said. "There are two different voices in the Politburo's Standing Committee."

Mr. Zhao, he said, "exposed to the students the fact that there were different opinions in the Standing Committee, and this incited the students.

"There were several Politburo Standing Committee meetings, and we insisted that we shouldn't change our views. But Zhao Ziyang persisted with his own view, even when Comrade Deng Xiaoping was present, saying that he cannot agree with Comrade Xiaoping or the other Standing Committee members about the character of the student movement."

In the text, Mr. Yang is quoted as saying that Beijing is "out of control," and that "for every step we retreat, they advance."

He warns: "There's no way for us to retreat. To retreat means our downfall. To retreat means the downfall of the People's Republic of China and the restoration of capitalism."

The most surprising charge in the speech was that Mr. Zhao had been assigned to give the speech early May 20 announcing the military crackdown on the democracy movement.

As Mr. Yang relates it, the crowd assembled, but Mr. Zhao never showed up and it was left for Mr. Li to deliver the speech. That, according to the speech, seems to have been the final blow, and the reason the leaders apparently decided to oust Mr. Zhao.

If that is true, it is likely to be confirmed in the coming days by the party in public statements or in widespread leaks.

On Saturday, a former president, Li Xiannian, warned in a statement carried by the news media that "people in the leadership" of the Communist Party had created confusion in China.

It seemed a clear reference to Mr. Zhao.

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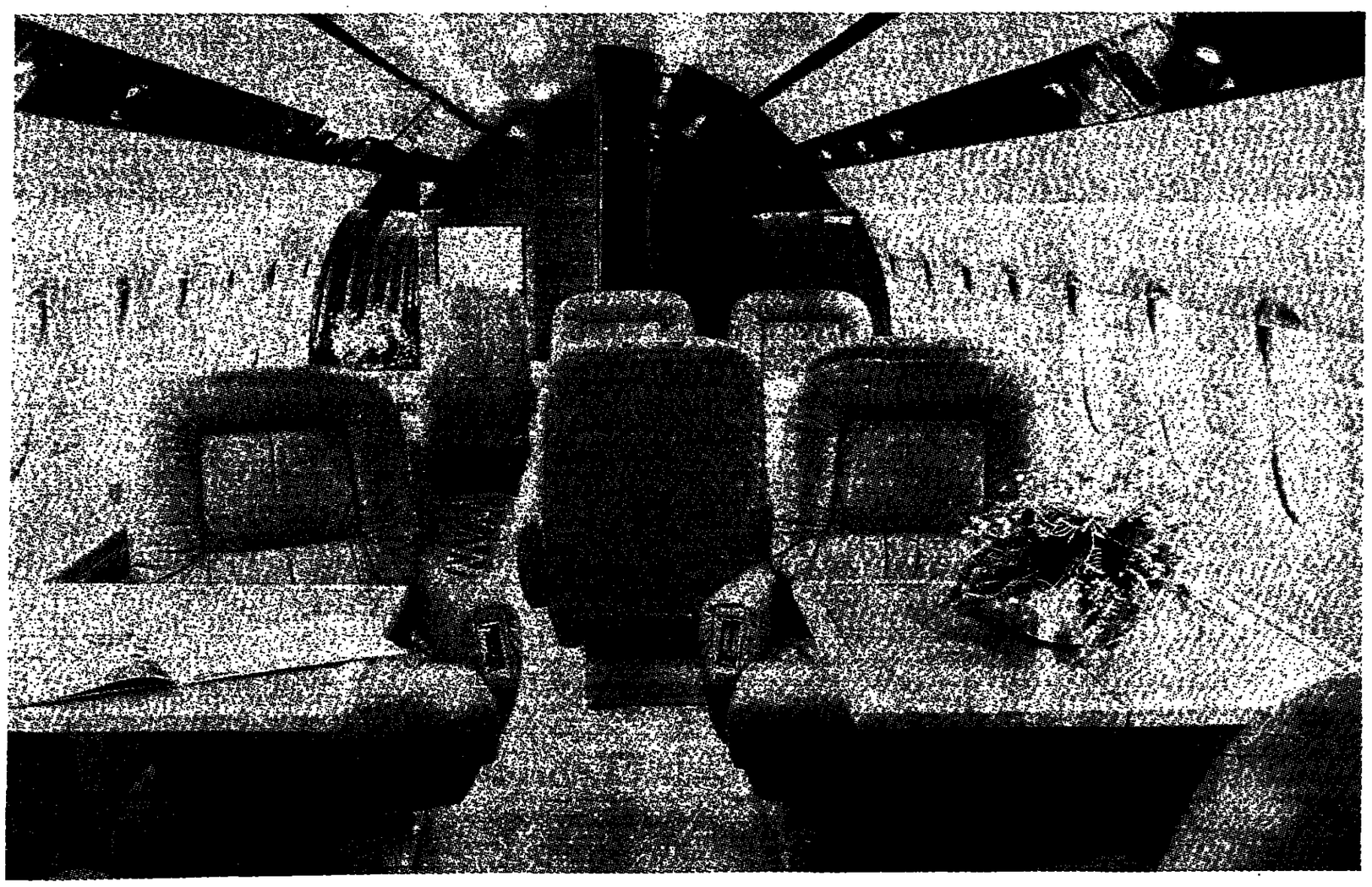

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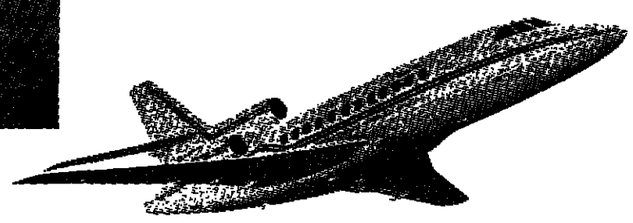

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Li's Tarnished Triumph

The students in Beijing appear to have lost to the aging Deng Xiaoping and his colorless, hard-line protégé, Prime Minister Li Peng. But it's far from certain that the defeat is permanent; whether the students have truly won or lost will only be determined when Mr. Deng departs and a new leadership emerges.

By the same token, this assertion of power by Mr. Deng and Mr. Li can hardly be called a triumph. Mr. Li is on top not because the people want him, nor because his party comrades show any enthusiasm. Paradoxically, he has won support because his very lack of popularity makes him more dependent on his supporters.

In any case, Mr. Li speaks for an increasingly remote patron soon to pass from the political scene. It's hard to believe China's future belongs to either. Indeed, one of the students' major achievements has been to expose the emptiness of the Communist Party's claim to speak for the masses.

If anyone can fairly make this claim, it is the demonstrators in Tiananmen Square. They have ignited a moral bonfire that still blazes across the Middle Kingdom, and indeed in Chinese communities the world over.

To Mr. Deng, the uprising conveys a poignant message. For it was he who, a decade ago, boldly unleashed the economic energies of China with his pragmatic reforms. Private farming was allowed, joint ventures with the West encouraged and students given the freedom to study abroad.

The result was rapid growth and the emergence of a pluralistic society. But having encouraged his people to think and act for themselves, Mr. Deng balked at letting them judge a one-party autocracy.

His efforts to modernize China pointedly ignored a secretive, corrupt political system. Thrice imprisoned himself, he showed no tolerance for dissent, indeed jailed those like Wei Jingsheng who dared call for more democracy. "We put Wei behind bars, didn't we?" Mr. Deng once remarked impenitently to other Communists. "Did that damage China's reputation?"

He was half-right. Over the years, for reasons of prudence, China's Western friends have muted criticism of human rights abuses. This in turn allowed senior Chinese leaders to disregard the growing hunger for more open politics and a freer press — something the Chinese were learning about not just from the West but from Mikhail Gorbachev's Soviet Union.

China's rulers can no longer plead ignorance about what their people want. They are in a position comparable to that of Communists in Poland after the spontaneous uprising for Solidarity in 1981. Though Mr. Li reigns, he can rule successfully only by following Warsaw's example in giving rights and voices to the opposition.

And in the West, President Bush needs finally to make clear the diplomatic costs if blood is shed against demonstrators whose hunger for political freedom is certain to survive.

— THE NEW YORK TIMES.

Trade: Awkward Straddle

Following a script as stylized and deliberate as a Noh drama, the Bush administration has accused Japan of unfairly restricting the imports of three major American products — and cited Brazil and India for three other offenses.

The decision was an awkward straddle to placate congressional protectionists without overly offending the Japanese in particular. And Tokyo may yield, turning this exercise into a triumph.

But arrogant bashing could also lead to a trade war, in which American consumers would suffer along with the Japanese.

Last year's trade law requires the U.S. trade representative, Carla Hills, to identify specific countries and specific restrictions that discriminate against foreign goods and services. She must now seek negotiations with the alleged offenders, aiming to make them stop. The danger is that they won't, unless America ends some of its own unfairness. If the talks fail, the law empowers the president to constrict access to U.S. markets.

Responsible administration officials admit that this is bad economics and bad foreign policy. The European Community wasn't targeted despite its many offensive restrictions; relations within the Western alliance are delicate enough as is. Brazil and India were targeted for real faults, but also to serve as a balance. Targeting only Japan — which Congress had most in mind when it wrote the law — would deeply offend an all-important ally.

There's no question that the three cited countries restrict foreign competition as charged; Mrs. Hills picked judiciously. Japan purchases no foreign-made space satellites, virtually bans American supercomputers and severely limits imports of lumber and other wood products. Brazil has a licensing system that effectively curbs many imports; India restricts foreign investment and sales of foreign insurance.

The world would be better off without these restrictions. Indeed, other countries' exporters might benefit more than America's if they were removed. The trick will be to persuade the Japanese, Brazilians and Indians that they will benefit from greater competition. The United States' strongest weapon is its threat to shut off imports, but that's the path to war.

There are better paths. Under the General Agreement on Tariffs and Trade, impartial judges can settle disputes about merchandise trade, though not services. Alas, America has set a bad example by ignoring their rulings when it lost.

The best path would be global negotiations like the Uruguay Round, where most of the world is now engaged in striking a bargain on mutual concessions. Again, America sets a bad example by raising issues one by one, bilaterally, in the middle of the multilateral negotiations.

To the extent that Mrs. Hills can steer America's disputes with Japan, Brazil and India into these channels, all countries will benefit. If the disputes lead only to recrimination and retaliation, all will lose.

— THE NEW YORK TIMES.

The Resignation Lessons

In announcing his resignation from Congress, House Democratic Whip Tony Coelho said Friday the financial disclosure problem that brought him down would not have been "a big issue" two years ago, nor would it be again two years from now. He's right in part: ethics in government is a cyclical not to say lunar issue on which concern ebbs and flows, and he got caught on normally safe ground at high tide. But he's wrong in the lesson he draws: That it is unlikely to last does not mean the current level of concern is less worthy of respect and can be dismissed as tough luck and a fad.

In a government such as that of the United States there is always a tug at the sleeve of the politicians. There is supposed to be. Left to itself the competitive process periodically goes too far. A sense develops in the country that, to some impermissible degree, political power is being bought and sold, and an effort is made to haul the system back toward less excessive ground. It happened in the mid-1970s; it is happening now.

It's true, as the system's apologists are always quick to note, that these bursts of reformism are themselves often uneven and given to excess of another kind; true also that the would-be reforms often have perverse results as those they are meant to affect learn how to game them. In that sense ethics is much like tax reform: a recurrent fight over similar ground. But the fact that the fight has been had before and will be again does not make it the less worth having.

Congress is taking too much money from the interest groups surrounding it. It needs to cut back — to abolish honoraria, now $9 million in extra cash a year, to tighten up on gifts, free travel, special investment opportunities, job offers, excess campaign contributions and all the rest of the currently familiar devices. The basic rule is, or ought to be, simple: a member of Congress should neither trade nor appear to be trading on his office for personal gain. Is that too much to ask?

Mr. Coelho knows better than we whether he could have withstood the continuing investigation he has now spared himself and his party. Like Speaker Jim Wright, who reportedly is also about to resign, he has been an able legislator, fund-raiser and party leader. But if the succession is the one that looks to be shaping up, led by Tom Foley, the party wins. It wins if, in response to these events, it passes responsible ethics legislation as well, from a ban on honoraria to campaign finance reform.

— THE WASHINGTON POST.

Other Comment

Japan's Trade Responsibility

The first shots of the battle with countries deemed to have unfair trading practices with the United States have been fired. The initial reaction from the Japanese ambassador in Washington was hostile, with threats of countermeasures and a domestic backlash. That is most worrying: If countries retaliate in a tit-for-tat fashion, the ensuing fight may result in further barriers being erected and less trade being transacted. If world trade shrinks, other countries not directly involved will get hurt, especially whose which depend on trade for their growth.

Japan has a responsibility, as an economic superpower, to ensure that its reaction is measured and calculated to resolve the issue, not to escalate it. This is not the first time that Japan has been accused of not opening up its market, and many will be watching how it reacts now, since concrete measures are needed to demonstrate its sincerity.

The United States, for its part, cannot blame other countries for all its trading difficulties. A great deal has to do with the productivity and competitiveness of its domestic industries. The danger here is of uncompetitive U.S. industries lobbying for greater protection at home, which the Bush administration must guard against.

— The Straits Times (Singapore).

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Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel.472-7768. Tlx: RS56928
Mng. Dir. Asia, Rolf Kranepuhl, 50 Gloucester Road, Hong Kong. Tel. 5-8610616. Telex: 61170
Managing Dir. U.K.: Robin MacKichan, 63 Long Acre, London WC2. Tel. 836-4802. Telex: 262009
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OPINION

China's Road Out of Communism, by Way of Stalinism

By Jim Hoagland

BEIJING — An expiring visa will, in a few hours, put me on a flight away from the giant roller coaster of hope and fear that Beijing has become over the past two weeks. As I write, the cycle has moved to the bottom point and fear stalks people I have come to know and admire in the space of these two dramatic weeks.

This fear is etched into the face of a Chinese intellectual who had learned moments before we meet of the downfall of Zhao Ziyang, his and others' protector in the leadership. Intellectuals, he whispers, are on an arrest list. They and Mr. Zhao are being denounced in closed party meetings for having committed "anti-party" acts.

"You must not use my name if you say we have met," he implores me, his hands trembling.

China's dictatorship has launched a Stalinist purge in a desperate effort to hang on to power just a little longer. The temporary victory will be one of the most costly in communism's history. It will pave the way for the creation of a genuine political opposition that will eventually lead China out of communism.

Deng Xiaoping and other hard-liners have turned on the best elements of their discredited party. They are setting out to silence and perhaps even destroy the very intellectuals and activists who could perhaps inspire a disaffected younger generation to work within the system.

This is the reverse of the approach Mikhail Gorbachev is trying in the Soviet Union. While Mr. Gorbachev rehabilitates Bukharin and other Stalin victims, Mr. Deng is busily imitating the Georgian monster. He is creating Chinese Bukharins and Sakharovs. By making the Soviet leader's political reforms look momentous, Mr. Deng is doing Mr. Gorbachev a huge favor.

The Chinese power struggle is being settled in old-style communist methods, with factions and the leadership accusing each other of betraying the party's principles and goals. It is said in physics that new theories gain acceptance only when the generation that developed the prevailing laws die off. China is proving that the same holds for communism.

The Chinese public will now be asked to believe that Mr. Zhao, once Mr. Deng's closest protégé and the architect of China's innovative economic liberalization, has been trying all along to undermine the party. They are likely to accept this outwardly, Chinese analysts say, but they will not believe it.

This retreat into self-deception and Stalinism makes China once again an important weather vane for experimental communism. Is it possible to balance political repression on this scale with economic open-door policies? Mr. Deng and his chief henchman in this coup against Mr. Zhao, Li Peng, are trying furiously to appropriate the economic reform created by Mr. Zhao and say that these reforms will continue in hopes that foreign investment, tourism and military cooperation will continue to come from abroad.

In retrospect, those of us covering this amazing story may have made one crucial error of judgment: We should have perhaps believed Li Peng when he said the army was not being ordered into the city to clear the students out of Tiananmen Square. It is possible that martial law was declared and troops ordered to move in to forestall any military effort that Mr. Zhao's supporters may have made to save him from being stripped of his post as Communist Party chairman.

In this hypothesis, Mr. Deng and the hard-liners had planned to use a war of nerves and attrition to wear down the students. The troops sent into Beijing have been under strict orders not to clash with civilians and the students, but to encircle installations and to prepare to protect them from attack. The equipment they brought with them was much more suited for such missions than for clearing mobs from the streets.

Mr. Zhao wears a medium-gray hat in this adventure, not a spotless white one. It is now clear that he triggered the internal party crisis by publicly disagreeing with Mr. Deng's approach to the students on several occasions. As the demonstrations grew, it became apparent that he would gladly take power if he could have.

There will be relief in Washington and other foreign capitals that massive bloodshed has been avoided thus far. But that relief should be tempered by the realization that the probable outcome here is a campaign of Stalinist repression similar to the outrages the United States used to denounce in the Soviet Union and continues to oppose, rightly, in Czechoslovakia and Romania.

The United States should in no way associate itself with Li Peng's victory. The Bush administration has responded timidly during this crisis in its public statements in Washington and in its diplomatic communications with China here in Beijing. That puts Washington on the side of Mr. Li and Mr. Deng in the minds of too many Chinese.

That is not a good place to be. While Mr. Deng may be able to stay in place and establish an air of normalcy for as long as a year, China's yearning for democracy and modernization will burst forth again, perhaps in more radical form next time. The roller coaster will soon start heading back up toward the top of the loop.

The Washington Post.

The Changes Go Slowly - But Deeply

By Flora Lewis

PARIS — The drama of the news these days has induced vertigo, intoxication with the idea that if some things can change so fast and so unexpectedly, everything can and must be changed overnight.

For the last several years, people who watch the communist world attentively have had to argue against die-hard skeptics that something important was happening, that new questions were emerging which require new Western answers.

Suddenly, the resistance to day-by-day accumulating reality has swung completely around. The collapse of communism has been proclaimed by those who said it would always be the same familiar enemy.

They are indignant that the United States didn't do something to fulfill student aspirations for democracy in China, to make the new Soviet legislature work like a Western parliament.

The Chinese protesters never said they wanted to overthrow the regime. They had no real program, and they are losing now. But their remarkable demonstration will leave effective traces. Nothing will be quite the same as before.

Whatever repression may be imposed in the short run, the Chinese leadership has had to learn that it miscalculated in supposing Singapore, Taiwan, South Korea and Hong Kong proved Asian societies can flourish economically without concessions of political power.

The Confucian heritage does make a difference in the social fabric. It doesn't grant immunity to the rule that economic and political development are linked, even if there's a time lag.

I yearn as much as anyone for the president of the United States to provide an agenda and a sense of direction for the West. But George Bush was right to urge "restraint on both sides" in China. It would have been disastrous for the United States to appear to promise what it couldn't possibly deliver.

And in Moscow, the Kremlin television spectacular of public debate and challenge was no less historic and significant for stopping far short of ending the Communist Party monopoly of power.

It was another impressive sign of reform. The end of the extremely difficult, uncharted road to transformation is still far away.

In a similar sense, the crisis of wills on how NATO should respond to changing East-West relations is not an ultimatum for the alliance. Those who demand West Germany salute on Washington's command or the United States will quit Europe and dedicate itself to trade wars are carried away with TV's aura of immediacy.

It is necessary to step back and remember that life goes on, which means continuous change, even when the camera is not looking. The occasional eruptions that compel attention arise from underlying pressures of adjustment.

These are clearly visible in the East. They are taking place in Western Europe as well. On NATO's 40th anniversary, to be celebrated at this week's summit meeting, the alliance is a different kind of partnership than it was when the United States summoned it into existence to ward off being called back into a third Europewide war.

West Germany is now a flourishing state. Citizens who reached maturity after World War II — but not they alone, as their thoughtful president, Richard von Weizsäcker, showed — are chafing that their country still has not regained full sovereignty.

The reason is that there has never been a German peace treaty, politically impossible because of partition. The awareness was sharpened by America's plan to install new short-range nuclear missiles, when everybody wants to focus on getting out of the cold war confrontation.

A hidden strain, a kind of race against time, is pulling at Europeans now. On one side, there is the push to consolidate the European Community, to look beyond the 1992 deadline for a full Common Market, toward more integration.

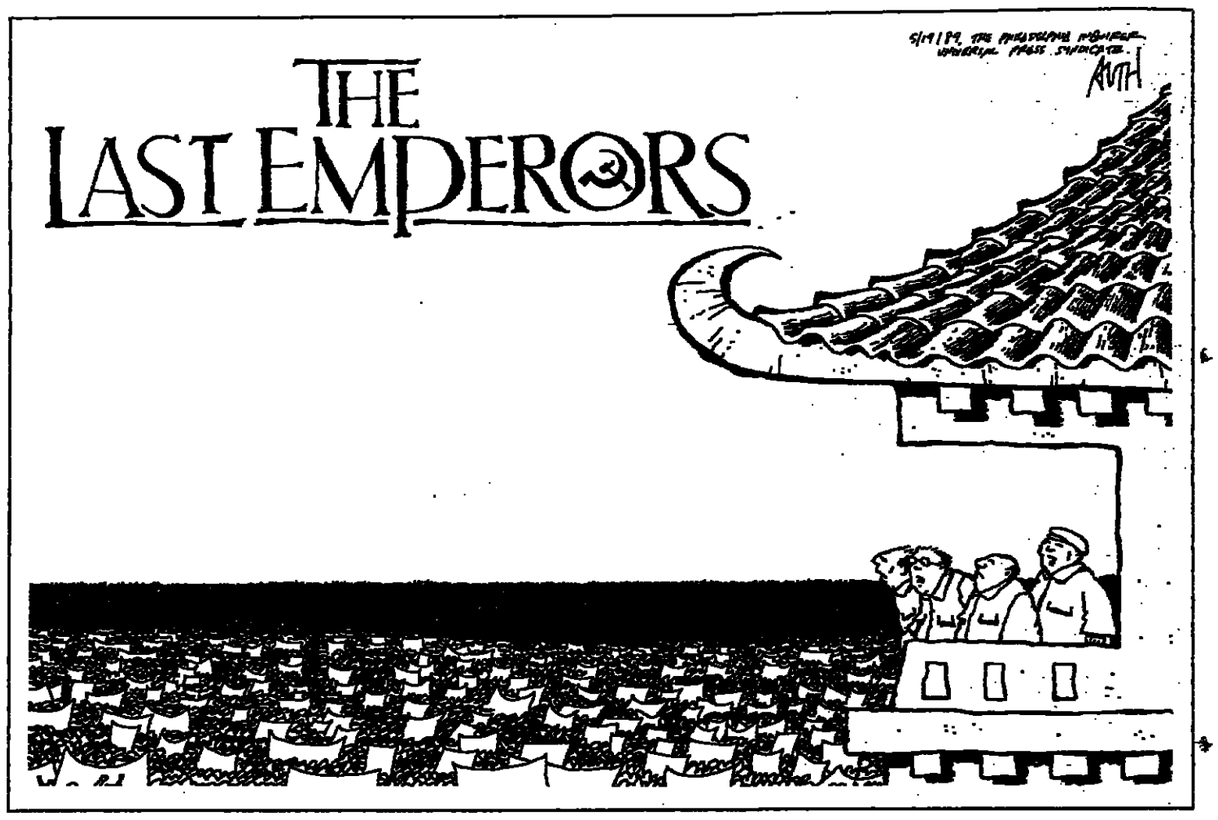
On the other side, the community's very success has created tremendous magnetism, which is drawing not only smaller Western outsiders like Austria and Norway but also East bloc countries who seek some kind of affiliation. Moscow no longer seems to object to this kind of back route out of Yalta.

If the EC doesn't press ahead in defining itself politically before the East must be accommodated, it risks being diluted into the mere customs union that is the limit of Prime Minister Margaret Thatcher's ambition.

If it does, whether or not Britain falls behind, the East will be left out much longer. Germany is caught in the middle of all this. It wants both a solid community and an undivided Europe.

All these movements have been coming gradually. They will persist. The sporadic tensions make the headlines, but they are only the tip of underlying shifts to be addressed.

The New York Times.



To Thwart Bonn and Moscow, Ban Short-Range Nuclear Missiles

By Richard Perle

The writer, an assistant secretary of defense in the Reagan administration, is now a resident scholar at the American Enterprise Institute.

WASHINGTON — However adroitly this week's summit meeting communiqué papers over differences within NATO, the strategy of the alliance is melting away; and like last year's snow, it won't be back.

If the West Germans have their way, NATO's nuclear weapon storage sites, called "igloos," will also melt away, a victim of the thaw in East-West relations and the collapse of Bonn's postwar security policy.

President George Bush has resisted German pressure to negotiate away short-range missiles, the so-called "third zero." While he is right to demand that the Germans accept the necessity of nuclear weapons in Europe, Mr. Bush is insisting on keeping the wrong weapons. His approach would rule out the best outcome for NATO: a total worldwide ban on the short-range missiles. The weapons the United States should insist on keeping in Europe are modernized nuclear artillery shells and air-delivered weapons.

While President Bush is right to demand that the West Germans accept the necessity of nuclear weapons in Europe, he is insisting on keeping the wrong weapons.

The collapse of West Germany's traditional security policy — culminating nearly a decade of deepening neutralist, anti-defense sentiment — has made Foreign Minister Hans-Dietrich Genscher the principal architect of the new security approach. Mr. Genscher's is a policy shaped by an abject failure of nerve, encouraged by dreams of a kinder, gentler world in which defense is unnecessary because Mikhail Gorbachev has declared that the Cold War is over. But, above all, it is a policy shaped by a neo-romantic abandon that appeals to many Germans much as neo-isolationism appeals to many Americans.

Consider the new German military policy: a declining defense budget, now approaching only 3 percent of gross national product; growing impatience with the weapons and exercises necessary to maintain military strength and alliance commitments; and reversal of an earlier pledge to keep the army at half a million men. Gone, with little chance of reconstitution, is the policy that prevailed from Konrad Adenauer through Helmut Schmidt: that military strength and the Atlantic alliance are fundamental to West German security and the only safe basis for the conduct of its foreign policy.

In the early 1980s, I sat through countless meetings where the Germans assured us that when their economy improved we would see a greater defense effort. It never came, even as West Germany prospered. Later on we heard German officials, led by the hapless Helmut Kohl, swell with pride over an heroic extension of the draft to 18 months so that Bonn could keep the Bundeswehr at its present strength into the 1990s. That decision has now been rescinded.

On the political side, we see an upsurge of German opposition to NATO's nuclear forces even though NATO strategy is based on a combination of nuclear and conventional weapons. Making matters worse is a relentless policy in favor of lending the Soviets the money to buy German dual-use technology with which to improve Moscow's military capabilities still further.

And while West Germans gathered around the table at the NATO summit meeting this week will deny it, sentiment is rising fast, without serious opposition from the government in Bonn, for policies that will lead to the removal of nuclear weapons from West Germany. Any such move toward European denuclearization would crown Soviet postwar policy — by removing the principal obstacle to superior Soviet conventional forces.

It is against this background that George Bush has been struggling to find a sensible basis on which the alliance can respond to Mr. Gorbachev's proposal to negotiate limitations on short-range nuclear forces, or SNF.

Mr. Bush has been criticized for opposing negotiations, for refusing even to talk. Yet he is surely right in not wishing to enter negotiations with the Soviets while an ally as important as West Germany is lurching toward a policy of denuclearization that would shatter NATO's doctrine and destroy its deterrent. Moreover, our recent experience with the Germans as negotiating partners is bound to trouble anyone familiar with it. During the INF negotiations the Germans were a source of constant pressure. At NATO meetings you couldn't get past the "Gute morgen" before they would urge the abandonment of one NATO position or another.

If we had listened to Herr Genscher we would never have achieved the elimination of medium-range missiles: Instead we would have removed our missiles (while allowing some Soviet ones to remain) long before Mr. Gorbachev finally agreed to ban them all, his included. One could forgive Mr. Bush's lack of enthusiasm for new negotiations in which the Germans again favor us with their advice.

Before rushing to the negotiating table, we and our other allies must have an understanding with the Germans on the central point: We will not negotiate anything remotely approaching the denuclearization of Europe, or even West Germany. Without a combination of nuclear and conventional forces in Europe we cannot hope to deter the nuclear-armed Soviets or sustain the integrity of an alliance in which the sharing of risks is fundamental. So we will insist on keeping SNF weapons in Europe.

Those SNF presently consist of some 4,000 air-delivered bombs, artillery shells and short-range missiles. My own view is that we could ban the short-range missiles if the Soviets would agree — but only if NATO agrees to retain and modernize the artillery shells and the air-delivered weapons. The Soviets have several thousand short-range missiles, some with conventional warheads, many times more than NATO. And they've been spreading them around the world. The Soviets would give up much more than we would in a total, world-wide ban. (They would have to retrieve the ones they've sent to places like Syria. Otherwise they would open an unacceptable loophole).

Following the destruction of all short-range ballistic missiles, we would have a fighting chance of verifying a total ban. This is because it would be difficult to conceal the essential testing and training that a covert force would require. By contrast, an agreement allowing a limited number of short range missiles — the Bush administration's apparent preference — would be hopelessly unverifiable. Give the Soviets the freedom to test, train, build and maintain a force of short-range missiles and we'll never know how many more they've hidden away.

There are those who believe that the short-range missiles contribute more to NATO's deterrent than the artillery shells or air-delivered weapons that would remain if the short range missiles were eliminated. I disagree.

For one thing, the yield of the artillery shells can be very small and discriminating — capable of destroying an advancing tank battalion without also destroying the non-combatants nearby. For another, we can hide a modest number of artillery shells among many thousands of howitzers, any one of which could launch nuclear as well as conventional rounds. This could afford a high degree of protection: The Soviets can hardly destroy all of NATO's artillery.

The mere prospect of nuclear artillery on the battlefield would force the Soviets to disperse their armor. This, in turn, would diminish greatly the effectiveness of their strike forces for purposes of a lightning offensive, NATO's greatest fear.

Modernization of NATO's air-delivered weapons, which must also be part of the NATO understanding, would extend the effective range at which NATO can reach targets deep in Warsaw Pact countries in order to stop the follow-on forces the Soviets would require to sustain an attack. What is needed here is an air-to-surface missile with high accuracy and low yields. Such a weapon would do far more to protect NATO and deter aggression than the short-range missiles at the center of the current controversy.

For more than 40 years, NATO has survived the most calculated policies of its enemies. It remains to be seen whether it can now survive the least calculated policies of its members.

The Washington Post.

100, 75 AND 50 YEARS AGO

1889: Menace to France

LONDON — The London edition of the *Herald* says in an editorial: "There is, of course, a probability that Prince Bismark has brought Italy into an alliance with Germany, which would be regarded as a formidable menace to France. It is easy to make light of French sensitiveness, but any other nation would be equally sensitive in the same position. Have we not seen very recently a scare in England, and a large additional expenditure of money sanctioned for increasing national defense, although no one is threatening England or apparently even thinking of her?"

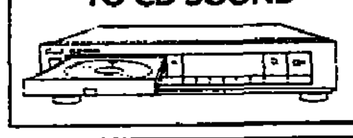
1914: Advertising News

NEW YORK — The most successful advertising men in New York and vicinity agreed yesterday with the philosophy of the late Mr. Thomas J. Barratt, head of the English Pears' soap company, that persistent advertising on a large scale and in an original manner pays the greatest dividends. Barratt was the pioneer of advertisers who saw beyond their home markets. Men who have passed years in studying the effects of advertising campaigns agree that those advertisers who failed had not gone far enough; that their views had been too limited, and that they lacked the necessary persistence.

1939: Chilean Deal

SANTIAGO — President Pedro Aguirre Cerda's "New Deal" Chilean government today [May 28] moved to take over foreign oil distribution companies in Chile and to make the oil industry a state monopoly — not by expropriation but by purchase. President Aguirre was reportedly ready to pay $5,000,000 for the properties held chiefly by the Standard Oil Company, the West India Oil Company and the British-owned Shell-Mex firm. All the companies have agreed already to the price and have expressed satisfaction with the deal.

International Herald Tribune
BUSINESS/FINANCE



EUROBONDS

Eurodollar Issues Sparkle As U.S. Currency Surges

By CARL GEWIRTZ
International Herald Tribune

PARIS — Following its recent advance, the dollar seems poised for further gains. "The dollar's trend is still up," according to Simon Crane, a London-based currency analyst. Nothing has changed as a result of last week's unsuccessful effort by most major central banks to drive the U.S. currency down, Mr. Crane said.

"Only massive intervention and interest-rate moves could change the direction of the dollar," he added, expressing a view widely shared by traders in Europe, Japan and the United States.

The foreign exchange market shrugged off reports that the Bank of Japan intends to raise its discount rate by ¾ point this week, and dealers said only a last-minute decision to put the rate up by a full percentage point could jolt the foreign exchange market at this point.

Investors are moving out of cash and into the bond market

Dealers are also wary about a possible shock from the West German Bundesbank, which could follow Switzerland's example last week and adopt a flexible Lombard rate on short-term loans to banks in an effort to sharply drive up short-term interest rates. Twice in the past, in the mid-1970s and early 1980s, the Bundesbank used this tool.

William Ledward, an analyst for Nomura Research in London, said he doubted the West Germans would follow the Swiss example now since the implied 1 percentage-point increase in money market rates "would probably be unacceptable" both to domestic politicians and to other European countries whose currencies are tied to the Deutsche mark through the European Monetary System.

Overall, dealers were impressed by the dollar's performance last week in the wake of repeated rounds of official intervention that coincided with momentary weakness of the currency. The effort to start a bandwagon effect toward a lower dollar never took off, and each time the central banks retreated from the market bargain hunters reappeared to drive the currency higher.

The dollar's brief retreats were welcomed by technical analysts, who said that the currency's sharp rise in recent weeks had to be followed by some pullback before it could seriously resume its upward thrust.

LAST WEEK'S "backing and filling of the dollar," said Mr. Crane, "laid the foundation" for a renewed climb, first to 2.05 Deutsche marks and, within six weeks, to 2.10 DM.

"At 2.10 DM," said Roland Scharff, treasurer at Hessische Landesbank in Frankfurt, "the dollar would be vulnerable" to a quite sharp retreat. Nevertheless, by late summer he sees the currency trading near 2.30 DM.

The inability of central banks to manage exchange rates is contributing to the groundswell in favor the dollar. Bond dealers reported seeing substantially increased demand for dollar-denominated Eurobonds.

A foreign exchange analyst for a major bank in Tokyo said that capital outflows from Japan are now picking up. Institutional investments traditionally slow to a trickle at the close of the fiscal year in March and remain low as investment advisers formulate their strategy for the new year. This process is now completed, the analyst said, and money is again flowing out in substantial amounts.

"Institutional investors had been hedged too much for the foreign currency receivables and for the past two weeks have been big buyers of dollars," he said.

Meanwhile, in Europe, bankers reported that dollar-based investment funds that had been sitting in cash or short-term money-market instruments are moving into the bond market in the belief that U.S. interest rates are headed lower and bond prices higher.

Bankers also saw last week's $200 million issue for Deutsche Bank Finance Curacao as a sign that German retail investors — who up to now have favored higher-yielding Australian and Canadian dollar bonds — are returning to the U.S. dollar.

Australian and Canadian rates moved higher last week, but investors now appear to be attracted by what look like the improving U.S. economic fundamentals of slower growth and controlled inflation — and the possible capital gains on bond investments — rather than the numerically higher coupons but suspect economic conditions in Australia and Canada.

On Friday, Moody's Investors Service announced that it was reviewing its current Aa1 rating of Australia's long-term foreign-currency debt for possible downgrading. The triple-A rating on the government's domestic currency bonds is not affected by the review.

The rating agency said it was concerned "about the pace at which internal economic adjustments are proceeding in light of

See EUROBONDS, Page 11

U.S. Tool Orders Decline

April Fall Follows Two-Month Rise

New York Times Service

NEW YORK — Orders for American-made machine tools, reversing two months of gains, dropped 16.7 percent in April, according to a report scheduled for release Monday by the industry's trade association.

Analysts attributed the decline to slower spending by manufacturers on new equipment and processes for their operations.

The level of machine-tool orders fell to $241.8 million in April, compared with an order level of $290.5 million for March. Compared with April of last year, orders last month fell 4.4 percent, the Association for Manufacturing Technology said. For the first four months of this year, the level of new orders was down 5.2 percent, to $1.04 billion.

Albert W. Moore, president of the association, said, "The modest 5.2 percent orders decline, though not welcome, is not yet a matter for industrywide concern as it follows last year's 70 percent order increase."

Machine tools are power-driven devices that cut or shape metal parts. Economists consider their sales and level of orders to be important indicators of capital spending patterns by manufacturers.

Tool shipments in April declined 18.8 percent, to $249.1 million, compared with the March figures.

U.K. Wages Inflation Battle

Rising Prices Are the Cost Of Salary Gains

By Steve Lohr
New York Times Service

LONDON — Prime Minister Margaret Thatcher came to power in 1979 promising to transform the British economy by taming inflation and curbing industrial unrest. For most of the decade, she looked like a winner — a success that fueled Britain's strong growth and made Thatcherism a byword for prudent economic management.

Today, however, Britain's inflation is surging while wage disputes and strikes spread.

It all seems distressingly familiar to many economic analysts, voicing new doubts about whether the old ills of the British economy have been cured.

The National Institute of Economic and Social Research, a leading publicly funded research organization, noted the resurgence of inflation in its quarterly report on the British economy last week and declared, "Less has changed since the 1970s than might have been hoped."

In its current monthly review of the economy, Goldman Sachs International in London stated, "The recent upsurge in labor unrest raises unpleasant memories of the 1970s and must cast still more doubt on how much the United Kingdom has really changed under Mrs. Thatcher."

Consumer price inflation has more than doubled in the past year, to 8 percent in April. Most analysts expect inflation to go higher, to a peak of 8.5 percent or 9 percent this summer.

To try to slow inflation and defend its currency, the Bank of England on Wednesday raised its short-term interest rates to 14 percent. It was the 10th interest-rate increase by the central bank in less than a year.

Britain has the highest inflation rate among the major industrialized nations. Analysts predicted its inflation for the whole year will be 7.6 percent or more, compared with an average among the countries of the Organization for Economic Cooperation and Development of 4.7 percent.

The causes suggested include

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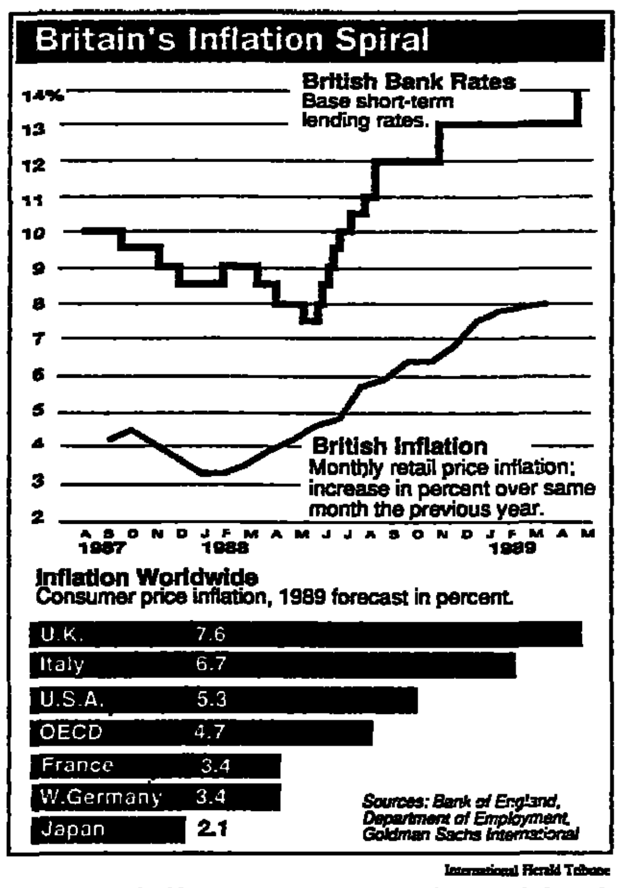


International Herald Tribune

Gulf Oil States Poised to Seek Rise in Output

Compiled by Our Staff From Dispatches

ABU DHABI — Oil producers in the Gulf — two of them desperate for foreign exchange — seem poised to seek an increase in OPEC's production ceiling when ministers meet in June, according to oil industry analysts in the region.

The six Gulf producers in the Organization of Petroleum Exporting Countries, which include Saudi Arabia, Kuwait, the United Arab Emirates, Iran, Iraq and Qatar, account for two-thirds of the cartel's output ceiling of 18.5 million barrels daily.

One industry analyst said it seemed there would be from a million to 1.5 million barrels per day increase, and the Gulf producers look as if they have agreed on it. Analysts said the Gulf producers had differing reasons for seeking higher quotas when OPEC oil ministers meet in Vienna on June 5.

Iran and Iraq, both rebuilding after their eight-year Gulf war, urgently need foreign exchange. Kuwait and the United Arab Emirates are demanding an increase of at least 500,000 barrels daily, arguing that their current quotas are small compared with reserves.

Saudi Arabia, the world's largest crude oil exporter, apparently believes that demand has picked up to the point where the output ceiling can be relaxed without depressing prices. Saudi Arabia also has proposed that OPEC ministers discuss scrapping its $18 a barrel target price and replace it with a $15 floor.

"Saudi Arabia wants to make sure oil prices remain at $15 to $20 margin in the medium-run," a Gulf oil analyst said.

"They think $18 should not be an upper limit if the market forces push it higher and they want the secretary general to call a price committee meeting every time prices drop below $15," one oil source said.

Analysts said the $15 per barrel proposal might draw criticism from some OPEC members like Libya, Algeria and even Iran, which traditionally aim for high prices due to their limited reserves and production capacity.

In Caracas, the Venezuelan energy minister, Celestino Armas, has said that the ministers would vote on proposals to raise the production ceiling to slightly more than 20 million barrels daily.

(Reuters, AP)

■ Abu Dhabi Output Cut

A fire at a hydrocracker unit at Abu Dhabi's 120,000 barrel-per-day Ruwais refinery could lower the plant's output in the next couple of weeks, Reuters reported from Gulf industry sources.

The hydrocracker was used to produce light oil products like naphtha from heavy fuel oil.

Talks Fruitless On Rebuilding Of Iran Plant

Agence France-Presse

TEHRAN — A delegation from the Japanese company Mitsui & Co. has departed from Iran after three days of "fruitless" talks to determine the future of the Bandar Khomeini petrochemical plant, the Iranian news agency IRNA has said.

The $5.6 billion project was launched in the early 1970s. It had been 85 percent completed before the war with Iraq, but was heavily bombed during hostilities.

"Much was expected from the visit, but the new terms and conditions set forth by the Japanese team were rejected," the news agency reported Saturday.

Mitsui announced in March that Japan and Iran had decided on negotiations to abandon the project on economic grounds.

Talks were stalled because of Mitsui's insistence "that the project cannot be completed, and its failure to honor its commitments as stipulated in the original contract," the news report said.

OECD Meeting to Stress Trade, Ecology

By Carl Gewirtz
International Herald Tribune

PARIS — With nothing new to say on how to correct the continuing imbalances in international trade and reluctant to sound alarmist about the rekindling of inflation, the Organization for Economic Cooperation and Development will be putting an emphasis on fighting protectionism and saving the environment at its two-day annual ministerial meeting, which is to open here on Wednesday.

Government officials and OECD insiders said the secretariat's concern about inflation, now estimated to be running at a 4.5 percent average annual rate in the 24 member countries — almost a percentage point higher than forecast last year — was tempered by U.S. insistence that the issue not be overplayed.

"There is a genuine debate on where we are on inflation," a government official said. "Clearly, it has increased; clearly, it is a particular problem in Britain." But he said that U.S. officials were concerned to not over-dramatize the danger and risk roiling financing markets.

"In their view, it is a transitory problem and measures have been taken to reduce it. They didn't want the secretariat urging more vigilance," he said.

Secretariat economists acknowledge being more worried about a revival of inflation than member governments, but also insisted there was uncertainty about the distortions from special factors — the rise in the price of oil that has now abated, the effects of last year's U.S. drought and the one-time tax increases in Germany and Japan earlier this year.

"The United States may be right in playing down the danger," one economist said. "The problem is that if you wait for clear evidence, that is a recipe for trouble."

As now drafted, a ministers' communiqué will promise to "pursue the fight against inflationary pressures, which have recently re-emerged as a problem in many countries." The communiqué also will tackle the drift towards protectionism and managed trade.

The secretariat's report to ministers urged that the dismantling of regional trade barriers — a clear reference to the European Community goal for a single market by 1992 — "support the goal of multilateral liberalization."

The report also warned of problems in the U.S. trade bill, especially Section 301, which obliges the government to identify discriminatory trade practices and countries pursuing them. The United States last week named Japan, India and Brazil as unfair traders, subjecting them to possible sanctions if their import barriers are not lowered, and triggering angry ripostes from their governments.

The secretariat warned, "Recourse to discriminatory action will inevitably bring in its train retaliation and a further souring of the trade environment. Governments must act with great prudence when confronted with demands of this sort."

The OECD is asking ministers to "express their determination to halt and reverse the dangerous tendency towards unilateralism, bilateralism, sectoralism and managed trade" and to "reject the concept of managed trade."

On the environment — which is to displace Third World debt as the major theme of the July 14 summit of Group of Seven governments — the OECD will devote a fifth of its final communiqué. This year's seven paragraphs compares with a mere one paragraph last year. Admitting to a certain cynicism, officials said

SEE OECD, Page 13

NWA Offers Expected To Reach $3.5 Billion

Reuters

NEW YORK — Takeover bids for NWA Inc. are expected to range between $110 per share and $120 per share at the Tuesday auction for the Minnesota-based airline company, Wall Street analysts said.

A $120 per share bid would value the company at $3.49 billion while a $110 per share bid would put the value at $3.20 billion.

At least three bidders are expected to submit proposals for the company, parent of Northwest Airlines, but several more could emerge by the Tuesday bidding deadline.

A committee of directors will review the bids, a process which could last about two weeks.

The announced bidders include Pan Am Corp., which has been conducting a public campaign to try to line up institutional investors to back a bid. Analysts said Pan Am, which has being losing money in recent years, would be counting on using NWA's cash flow to make its proposal work.

Analysts said the bid by the Los Angeles financier Alfred A. Checchi could win the airline if he can get financing lined up because he has the backing of management. Steven Rothmeier, NWA chairman, recently referred to bid by the Checchi group as "friendly money."

Arbitragers and analysts said the third of the bidders, Marvin Davis is unlikely to win. The Denver oilman's bid of $90 per share is the only one with a firm price on the table.

Speculation about additional bids has focused on Kohlberg, Kravis, Roberts & Co., the leveraged buyout firm, and Kelso & Co., a concern specializing in restructurings in which employees own large stakes. Both declined to comment.

A complicating factor in the auction is the position of NWA pilots. The pilots have been trying to negotiate a new contract to replace the current open pacts. The situation could make it difficult for bidders to draw up financial projections, analysts said.

The union representing NWA mechanics could also prove troublesome. The International Association of Machinists, representing about 10,000 NWA employees, says it opposes any leveraged transaction.

The timing of the auction was also thrown into question late Friday when the union representing NWA pilots said one of its members filed suit seeking to delay the bidding until July 1.

Analysts said a highly leveraged bid is unlikely to win the airline because of the cyclical nature of the business and the intense competition.

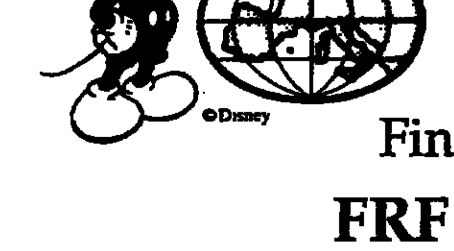
"It would have to be dealt with cautiously because you don't want to put high financial leverage on companies that have high operating leverage," said Michael Murray at Continental Illinois National Bank & Trust Co.

Louis Marckesano, an analyst at Janney Montgomery Scott Inc., said that if a Pan Am proposal wins, "Northwest would be buying itself under the Pan Am cloak."

This is because the surviving airline "would be made up primarily of the assets of NWA, with the debt structure and any balance sheet strength coming from the assets of NWA," Mr. Marckensano said.

Analysts said a Pan Am bid could draw a more favorable response from NWA employees than the others.

This announcement appears as a matter of record only



Euro Disneyland

Financing Lease of

FRF 10,400,000,000

for the Euro Disneyland Theme Park

BANQUE INDOSUEZ

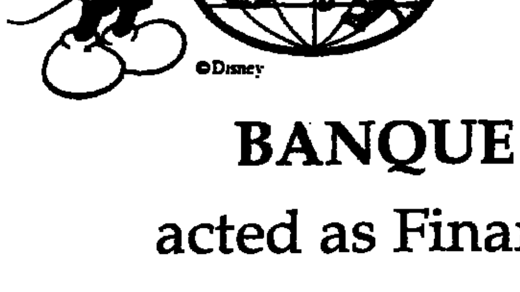
acted as Arranger for this transaction and Placing Agent of the lessor equity for a total amount of :

FRF 2,001,000,000

BANQUE INDOSUEZ

April 1989

This announcement appears as a matter of record only



PROJECT FINANCE OF

Euro Disneyland

BANQUE INDOSUEZ

acted as Financial Advisor to

Euro Disneyland S.A.

BANQUE INDOSUEZ

April 1989

Currency Rates

Cross Rates *May 26*

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.211	3.551	1.1272	0.3327	0.1556 *	—	5.382 *	1.2715	1.5776 *
Brussels(a)	41.065	65.90	20.94	6.176	2.888 *	18.578	—	24.04	0.293
Frankfurt	1.963	3.152	—	0.2951	0.1379 *	0.8872	4.776 *	1.142	1.399 *
London (b)	1.59	—	3.1613	10.7065	2,282.50	3.5638	65.955	2.7598	224.78
Milan	1,423.50	2,286.20	724.75	213.85	—	643.23	34.423	827.99	10.104
New York(c)	—	1.59 b	1.9835	6.717	1,434.50	2.225	41.42	1.7315	141.15
Paris	6.639	10.484	3.3883	—	0.4674 *	3.006	0.1618	3.8815	4.739 *
Tokyo	141.80	224.61	71.12	20.97	0.983	63.09	3.4025	80.92	—
Zurich	1.7175	2.7524	0.8733	0.258	0.1208 *	0.7746	4.1451 *	—	1.2227 *
1 ECU	1.0631	0.6599	2.08	7.0469	1,503.78	2.3446	43.5559	1.8147	148.73
1 SDR	1.2556	0.7822	2.4648	8.336	1,799.61	2.7782	51.5614	2.159	176.727

*Closings in London, Tokyo and Zurich, fixings in other centers. New York closing rates. a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	n.a.	Fin. markka	4.372	Mex. peso*	2459.00	S. Afr. rand	2.726
Austral. $	1.3225	Greek drac.	166.75	N. Zealand $	1.68	Soviet ruble*	0.6549
Austr. schil.	13.79	Hong Kong $	7.782	Nig. naira*	5.2995	Span. peseta	123.20
Brazil cruz.	1.127	Indian rupee	16.22	Norw. krone	7.0825	Swed. krona	6.605
Canadian $	1.203	Indo. rupiah	1758.00	Phil. peso	20.69	Taiwan $	25.48
Chinese yuan*	3.7221	Irish £	0.7331	Port. escudo	161.90	Thai baht*	25.77
Danish krone	7.615	Israeli shek.	1.825	Saudi riyal*	3.748	Turkish lira	2059.00
Egypt. pound	2.5582	Kuwaiti dinar*	0.2951	Sing. $	1.954	UAE dirham*	3.6697
		Malay. ring.*	2.6955	S. Kor. won	664.20	Venez. bolív.	38.28

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6032	1.5978	1.5926	Canadian dollar	1.2061	1.2090	1.2113
Japanese yen	139.29	138.76	138.28	Swiss franc	1.7090	1.7067	1.7044
Deutsche mark	1.9532	1.9493	1.9461				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	May 26	May 19	Ch'ge
DJ Indus.	2,493.77	2,501.10	—0.29 %
DJ Util.	201.16	200.51	+0.33 %
DJ Trans.	1,165.59	1,156.37	+0.80 %
S & P 100	300.04	301.04	—0.33 %
S & P 500	321.59	321.24	+0.11 %
S & P Ind	369.19	368.76	+0.12 %
NYSE Cp	179.31	178.92	+0.22 %
Britain			
FTSE 100	2,140.30	2,204.70	—2.92 %
FT 30	1,778.80	1,837.50	—3.19 %
Japan			
Nikkei 225	34,191.62	34,001.96	+0.56 %
West Germany			
Commerzbk	1,708.40	1,687.00	+1.27 %
Hong Kong			
Hong Seng	2,765.67	3,145.63	—3.74 %
World			
MSCIP	500.90	506.90	—1.19 %

World Index From Morgan Stanley Capital Int'l.

Money Rates

United States	May 26	May 19
Discount rate	7.00	7.00
Federal funds rate	9 11/16	9⅝
Prime rate	11½	11½
Japan		
Discount	2½	2½
Call money	4 7/32	4 7/32
3-month Interbank	5 3/16	4 31/32
West Germany		
Lombard	6½	6½
Call money	6.35	6¼
3-month Interbank	7.15	7.10
Britain		
Bank base rate	14.00	13.00
Call money	13¼	12.00
3-month Interbank	13⅞	12⅞

Gold	May 26	May 19	Ch'ge
London A.m. fix.$	365.80	365.50	+0.08 %

Weekly International Bond Prices

Provided by Credit Suisse First Boston Securities, London, Tel.: 01 323 11 30
Prices may vary according to market conditions and other factors.

May 25

Dollar Straights

Issuer	Cpn	Mat	Price	Yld Mat	Spd Trsy
Australasia					
Aust Com Bk	10	93	101⅝	9.58	+115
Australia	11	95	107⅝	9.34	+66
Australia	11½	95	109¾	9.38	+67
Austria Contrl	12¼	93	91⅝	15.21	n.a.
Council Europe	13	93	96¾	14.26	n.a.
Eurofima	13	93	97⅝	13.58	n.a.
N S Wales Trsy	11¾	90	101⅛	10.32	+259
New Zealand	7¼	89	99	10.18	+299
New Zealand	7¾	90	97⅞	9.82	+205
New Zealand	7½	91	95⅛	9.96	+188
New Zealand	7⅞	91	95⅛	9.91	+178
New Zealand	8	93	94½	9.72	+137
New Zealand	8¼	93	95½	9.69	+137
New Zealand	8½	93	95½	9.98	+167
New Zealand	10¼	95	101½	9.90	+184
New Zealand	8	97	91½	9.58	+79
Qantas	10⅛	95	104⅛	9.45	+76
Qantas	8⅞	96	95¾	9.51	+78
Queensland	11⅞	89	100⅜	9.33	+195
Queensland	8	91	96½	9.94	+192
Queensland	7¼	92	93¾	9.87	+166
Queensland	10¼	95	103¾	9.41	+71
St Bk Sth Aust	10¼	92	101	9.78	+158
St Bk Sth Aust	9¼	93	98½	9.71	+140
Sth Aust Gov	8¾	93	97	9.71	+139
Victoria Sec S	10	92	100½	9.77	+148
Victoria P	11⅝	92	104½	9.74	+152
Victoria Sb	8½	93	96⅛	9.70	+134
Victoria Publ	8⅞	96	93⅞	9.59	+82
Canada					
B C Hydro	15¼	92	113½	9.98	+174
B C Hydro	11¾	93	106½	9.81	+140
Bank of Nova S	8⅞	90	98¾	7.79	-3
Canada	11½	90	101¼	9.52	+195
Canada	10	95	104⅛	9.11	+40
Canada	9	96	100.050	8.97	+25
Canadair	12½	89	101¼	8.87	+156
Canadian Pacif	12½	90	103	9.71	+209
Canadian Pacif	10¾	93	101½	10.27	+257
Canadian Pacif	7½	96	88½	9.86	+112
E D C	12	89	100¾	9.28	+200
E D C	10	90	99⅝	10.34	+257
E D C	8¼	91	97¾	9.66	+172
E D C	8½	92	96¾	9.85	+164
Farm Credit	7½	93	91¾	9.85	+141
Farm Credit	7¾	96	91¾	9.42	+67
Manitoba	11¾	89	100⅝	10.05	+274
Manitoba	10½	90	100	10.48	+272
Manitoba	8¾	91	98¼	9.86	+194
Manitoba	12½	94	111⅛	9.59	+98
Manitoba	7½	96	90¼	9.47	+73
Ontario Hydro	11¼	89	100¾	9.31	+191
Ontario Hydro	10¼	90	100⅛	9.96	+221
Ontario Hydro	11¾	90	102¼	9.53	+170
Ontario Hydro	13½	91	105½	9.82	+188
Ontario Hydro	12¾	92	108	9.80	+153
Ontario Hydro	15	92	113	9.99	+174
Ontario Hydro	11⅛	94	107¾	9.47	+99
Petro-Canada	7¼	96	89¼	9.43	+69
Prov Albert	7⅜	91	95	9.67	+152
R B C	8⅝	93	95	9.94	+159
Saskatchew	11⅝	89	100⅝	10.16	+285
Saskatchew	10¾	90	100½	9.74	+219
Saskatchew	7½	91	95½	9.90	+156
Saskatchew	8½	91	97¾	9.91	+196
Saskatchew	10¾	92	102	9.84	+165
Saskatchew	15	92	113¼	9.93	+168
France					
B F C E	7¼	91	94⅞	9.72	+162
B F C E	7	92	93½	9.69	+149
B F C E	7¼	93	92¼	9.69	+135
B F C E	7⅞	96	92	9.43	+68
B F C E	7¾	97	91¾	9.29	+50
B N P	8¾	93	96¼	9.96	+163
C A E C L	9⅞	95	98	9.79	+109
C C C E	7⅛	91	94½	9.75	+164
C E P M E	7⅜	91	95⅜	9.79	+173
C E P M E	10½	91	100½	9.83	+178
C E P M E	7¼	92	94	9.75	+154
C N C A	10	90	100⅛	9.49	+164
C N C A	11¼	90	100¾	9.44	+200
C N C A	7¼	91	94½	9.80	+165
C N C A	13¼	91	105	10.35	+234
C N C A	11½	92	104¼	9.70	+150
C N C A	7½	94	92	9.47	+119
C N C A	7½	96	89⅞	9.55	+81
C N E	11¾	95	109⅝	9.46	+79
C N T	7	91	94½	9.70	+156
C N T	13¾	91	107	9.80	+178
C N T	8½	93	96	9.81	+150
Cr Foncier Ew	10⅞	91	101⅞	9.81	+182
Cr Foncier Ew	12½	92	107⅛	9.65	+141
Cr Foncier	7½	94	92¾	9.51	+105
Cr Lyon F/P	7¾	93	93⅛	9.80	+141
Cr Lyonnais	9	91	98½	9.90	+196
Cr Lyonn	8¾	92	96¾	10.04	+181
Cred National	8¼	93	95⅞	9.57	+124
Credit Nat	7¼	91	94½	9.74	+159
Credit Natl	7⅜	92	94½	9.67	+146
E D F	7¾	93	93⅞	9.47	+102
E D F	11⅛	93	105½	9.35	+102
E D F	10	95	101	9.77	+165
S N C F	11½	93	106⅛	9.48	+116
S N C F	7¼	94	91⅞	9.49	+102
S N C F	7¾	96	91⅛	9.44	+69
Japan					
All Nippon Air	9⅞	97	97¾	9.86	+105
Allied-Signal	8	06	83¼	10.10	+99
Bk of Tokyo	13⅞	89	101	9.44	+224
Bk of Tokyo	11	90	100¾	9.72	+212
Bk of Tokyo	11⅞	90	102¾	9.76	+188
Bk of Tokyo	8	93	93⅞	9.70	+125
Bk of Tokyo	8⅞	96	94⅛	9.57	+84
Canon	7⅞	91	94	10.38	+224
Dai-Ichi	10⅞	90	100¼	9.90	+212
Dai-Ichi	12¼	90	102½	9.86	+202
Dai-Ichi	7¾	91	94¾	10.17	+282
Dai-Ichi	8⅛	91	97⅛	9.86	+198
Daiwa 5	7⅜	92	93½	10.15	+195
Daiwa 2	7⅞	93	92	10.12	+166
Dkb Asia	8½	91	96¾	9.84	+179
Dkb Asia 2	8	93	93⅞	9.76	+134
Fuji B & T	7⅞	91	94¾	10.13	+201
Fuji Intl	10⅝	90	100⅝	9.99	+225
Ibm Japan	7⅛	91	94	9.99	+184
Ind Bk Jap	7⅛	92	94⅛	9.76	+160
Ind Bk Jap	8	93	94¾	9.71	+134
Ind Bk Jap	7⅞	97	91⅜	9.47	+67
Jap Airl	8½	96	92	9.77	+104
Jap Airl	8⅛	96	91¾	9.70	+92
Jap Dev Bk	8	94	94½	9.42	+89
Jap Highway	7⅞	96	89¾	9.70	+96
Kobe Steel	7⅝	92	94¼	10.12	+193
L T C B	11⅞	89	100	n.a.	
L T C B	11	90	100¾	9.65	+209
L T C B	8	91	96½	9.84	+178
L T C B	7¾	93	93½	9.78	+143
L T C B	8	93	94⅛	9.81	+147
L T C B	8⅞	93	96¾	9.69	+137
L T C B	8	96	91⅞	9.40	+84
L T C B	8	97	91½	9.63	+85
Metro of Tokyo	9½	93	100⅛	9.26	+97
Metro Tokyo	8¼	96	94	9.39	+62
Mitsub Ew	12⅜	89	101	9.38	+208
Mitsub Finance	11⅜	90	101½	9.64	+187
Mitsub Fin 2	7⅞	93	93.050	9.82	+137
Mitsubishi	7¼	92	94.050	9.90	+173
Mitsui Tst	12⅞	89	100¾	10.03	+275
Mitsui Tst 2	7¾	94	91½	10.08	+160
N C B	13⅞	89	100¼	10.27	+322
N C B	11	90	101	9.46	+192
N C B	11⅞	90	102¼	9.79	+192
N C B	7½	91	94⅞	9.85	+170
N C B	8½	91	97¼	10.38	+222
N C B	8	93	93⅞	9.82	+144
N C B	11¼	93	103½	10.04	+173
N C B	10⅜	95	103½	9.59	+99
N C B	10⅞	95	104¾	9.59	+88
Nippon Tel Tel	9½	95	101⅞	9.20	+52
Nomura Intl	7¼	92	93	10.14	+192
Panasonic	9	92	98¾	9.43	+118
Sanwa Intl Fin	11½	92	103½	10.09	+187
Sanwa Intl	11⅞	92	102	10.89	+272
Sumitomo	10⅞	90	101	9.64	+189
Sumitomo 2	7¾	91	95½	9.87	+174
Sumitomo	12¾	91	103⅛	10.52	+254
Sumitomo Bk	7½	92	94½	9.82	+161
Sumitomo	11¾	92	103¾	10.10	+190
Taiyo Kobe 2	7¾	94	92½	9.80	+132
Tokai Asia	11½	95	106¾	9.95	+127
Tokai Bank	7½	91	95½	10.16	+217
Toyo Trust 2	7⅞	92	93¾	10.13	+195
Toyota	7	89	98⅞	9.90	+256
Toyota	8⅛	90	98¾	9.75	+198
Toyota	8⅛	90	98½	9.61	+179
Toyota	9	90	98¾	9.84	+195
Toyota	7⅛	92	93⅞	9.79	+161
Toyota Motor	8	91	97¾	9.71	+176
Toyota Motor	8	91	97¼	9.68	+172
Toyota Motor	8½	91	97⅜	9.83	+184
Toyota Motor	9⅛	90	99¾	9.52	+167
Yasuda Tst	12⅜	89	100	n.a.	
Yasuda Tst	8½	93	95	10.05	+169
Yasuda Tst	10½	95	102¾	9.87	+117
Scandinavia					
Denmark	7	89	99	10.25	+308
Denmark	11¼	89	100	n.a.	
Denmark	11½	90	101½	9.61	+187
Denmark	8¼	91	97	9.88	+184
Denmark	12	91	103¼	9.87	+192
Denmark	13	91	105¾	9.94	+194
Denmark	13¼	91	106½	9.91	+182
Denmark	7⅛	92	93¾	9.82	+162
Denmark	11½	92	104⅞	9.40	+119
Denmark	7¾	93	93⅞	9.70	+137
Exportfinans	8½	90	97¼	10.46	+257
Exportfinans	8½	91	97½	9.86	+183
Exportfinans	7¾	92	94⅝	9.77	+160
Exportfinans	11¼	92	103⅞	9.69	+149
Exportfinans	7⅞	93	93⅛	9.64	+124
Exportfinan	7⅝	93	92⅞	9.59	+115
Exportfinans	7⅞	96	91½	9.47	+71
Fin Export	8½	92	97⅛	9.70	+150
Finland	9⅛	92	98	9.78	+149
Forsmarks	8¾	91	98¼	9.85	+192
N I B	7½	91	95	9.89	+177
N I B	8⅞	91	97½	9.91	+195
N I B	7½	93	92	9.88	+149
N I B	8¼	93	95⅞	9.66	+135
N I B Ser A	9⅞	96	98½	9.92	+119
Norsk Hydro	8¾	90	97¾	10.81	+300
Norsk Hydro	8½	91	97¾	9.96	+204
Norsk Hydro	7	92	93½	9.93	+176
Norsk Hydro	10	93	99¼	10.20	+302
Norsk Hydro	9	94	96½	9.94	+145
Norsk Hydro	8	96	91⅝	9.72	+99
Norsk Hydro	8¼	97	91½	9.84	+105
Norway	7¼	91	95¾	9.66	+159
Norway	8¾	93	97⅞	9.43	+112
Oslo	9	98	97½	9.67	+82
S A S	10⅛	95	101½	9.78	+106
S E K	11½	89	100	n.a.	
S E K	6¾	90	97¾	9.54	+198
S E K	7¼	91	94⅞	9.71	+157
S E K	8⅝	91	97¼	9.82	+187
S E K	8⅞	91	98⅛	9.78	+185
S E K	8⅛	92	96¼	9.69	+149
S E K	10	92	100	10.00	+177
S E K	7½	93	93½	9.56	+123
S E K	9⅝	93	100¼	9.51	+120
S E K	7½	94	92½	9.53	+103
Saab Scania	9½	91	99¼	9.94	+200
Saab Scania	7¾	92	94½	10.05	+185
Skandl Enskild	8¼	90	98¾	9.90	+215
Skandia Ins	7¼	92	93½	10.03	+184
Statoil	7	89	99¾	n.a.	
Statoil	13½	89	100½	9.08	+200
Statoil	10	90	100¼	9.50	+170
Statoil	7⅞	94	92	9.81	+132
Statoil	9¼	96	97	9.87	+115
Sweden	11½	89	100¼	9.36	+199
Sweden	12⅞	89	100	n.a.	
Sweden	10⅞	90	101¼	9.30	+155
Sweden	7	91	94⅛	9.63	+152
Sweden	7	92	93⅞	9.65	+146
Sweden	8½	92	96½	9.79	+154
Sweden	9¾	92	100	9.71	+144
Sweden	10¼	92	102¼	9.42	+114
Sweden	8⅛	94	95½	9.26	+71
Sweden	11¾	94	105	10.48	+176
Sweden	8¾	96	97⅞	9.29	+56
Volvo	7¾	90	98¼	9.72	+210
Supranational					
Council Europe	8	96	92¾	9.44	+68
Council Eur	9⅝	96	99½	9.45	+72
E C S C	11⅞	90	101⅞	9.81	+201
E C S C	7¾	91	96½	9.49	+166
E C S C Tr A	8¼	96	93⅞	9.41	+63
E C S C	9⅞	96	100	9.35	+63
E E C	8	90	98¼	7.89	+9
E E C	9⅝	90	100	9.40	+161
E E C	11⅛	90	100⅞	9.38	+191
E E C	7	91	94¼	9.66	+152
E E C	8⅝	91	98¼	9.73	+179
E E C	8¼	92	95⅞	9.87	+164
E E C	7¼	93	93.050	9.52	+120
E E C	8⅜	93	96½	9.52	+121
E E C Oct	12	93	109⅛	9.31	+90
E E C	8¼	96	94⅝	9.37	+63
E E C	9⅛	96	97¼	9.68	+96
E I B	11½	90	102½	9.58	+169
E I B	11	91	102⅛	9.58	+163
E I B	10¼	92	101¼	9.76	+166
E I B A	7⅝	93	93¼	9.50	+105
E I B	7¾	93	93⅞	9.50	+107
E I B	10¾	93	101½	10.27	+232
E I B	11⅞	93	108⅝	9.42	+101
E I B	10¼	94	101½	9.85	+152
E I B	12⅜	94	113	9.43	+91
E I B	12	95	111⅛	9.41	+73
E I B	7½	96	93⅞	8.72	n.a.
E I B	7¾	96	91⅞	9.38	+63
E I B	9⅝	97	100⅛	9.25	+44
Eurofima	7¾	91	96	9.87	+182
Eurofima	9¼	96	99½	9.35	+62
I A D B	12¾	91	105¾	9.90	+178
I A D B	9⅞	95	102⅛	9.41	+69
I A D B	10½	95	104¾	9.45	+75
I A D B	7⅞	96	90½	9.50	+74
World Bk	10⅞	90	100½	9.45	+202
World Bk	11¼	90	102	9.33	+149
World Bk	11½	90	102	9.35	+156
World Bk Jan	7	92	94	9.64	+146
World Bk	11	92	103¼	9.54	+136
World Bk	10⅞	93	105	9.25	+93
World Bk	12	93	109	9.32	+92
World Bk	12⅛	94	111¾	9.39	+76
World Bk	12⅞	94	113¾	9.43	+84
World Bk	10⅛	95	103¾	9.31	+62
World Bk	7¾	97	91⅛	9.35	+56
World Bk	9	97	98⅞	9.29	+48
World Bk	8½	16	89¾	9.57	+51
World Bk	9⅛	16	97	9.56	+49
World Bk	9¾	16	101¾	9.56	+49
United States					
A T & T	9	16	93¼	9.71	+65
Aetna Life	7¾	16	84⅛	8.28	+110
Amer Genl	9	94	98¾	9.28	+209
Amer Genl	8½	98	93½	9.61	+76
Betawest	10¼	92	101	9.86	+157
Betawest	7¾	93	93⅛	9.83	+148
C C C E	9¼	95	99½	9.35	+68
Campbell	10½	95	101⅞	10.06	+178
Campbell	7½	98	87⅛	9.72	+87
Chevron Corp	8¼	96	93⅞	9.60	+87
Chrysler Fin	8½	90	98	10.05	+225
Chrysler Fin	8⅞	93	98¼	8.92	+61
Citicorp	8⅞	90	98¼	10.07	+226
Coca-Cola	8¼	90	97⅞	10.57	+278
Coca-Cola	8¾	92	97⅞	9.72	+146
Colgate-Pal	9½	96	97	10.12	+139
Connect Mtl	11	95	102¾	10.36	+213
Eli Lilly	10¼	92	102	9.49	+122
Emerson	9⅞	95	99¾	9.66	+94
Equit Life	10⅛	92	100¾	10.07	+294
Ford Canada	9¼	94	98	9.73	+115
Ford Motor	7¾	89	100	n.a.	
Ford Motor	8	89	99¾	9.33	+226
Ford Motor	8¾	90	98⅞	9.73	+196
Ford Motor	11⅛	90	100⅝	9.71	+222
Ford Motor	7⅜	91	95	9.92	+178
Ford Motor	8	91	96⅞	9.98	+203
Ford Motor Cre	8⅞	91	97¾	9.92	+192
Ford Motor	10½	91	101½	9.72	+160
Ford Motor	12⅞	91	101⅝	11.95	+271
Ford Motor	11¾	92	104¾	9.79	+157
Ford Motor	10½	93	99⅞	10.52	+248
Ford Motor	12	95	104⅞	10.78	+178
Ford Motor	11	96	106.050	9.69	+97
G E C A	9½	92	98⅞	9.85	+156
G E C	8	93	94¾	9.68	+136
G E C	8¼	93	97¾	9.78	+144
G E C	8⅞	93	96¾	9.80	+149
G E C C	7¾	91	96⅛	9.84	+189
General Re	11½	92	101½	10.85	+267
GMAC	8	89	99½	9.65	+251
GMAC	8¼	89	99¼	10.03	+299
GMAC	10¼	89	100	9.31	+235
GMAC	7	90	97⅛	10.58	+297
GMAC	8¼	90	97⅞	10.68	+288
GMAC	7⅛	91	95½	9.91	+184
GMAC	8⅞	91	98⅛	9.95	+202
GMAC	8⅞	91	98¼	9.98	+204
GMAC	10	91	101	9.48	+134
GMAC	7⅜	92	94.050	9.88	+167
GMAC	10	92	100⅛	9.92	+234
GMAC	10¼	92	100⅜	10.07	+233
GMAC	8½	93	96	9.73	+137
GMAC	9¾	93	99⅝	9.76	+146
GMAC	8	94	93⅞	9.56	+99
GMAC	9⅛	96	98	9.52	+79
Household F	8½	90	98¼	9.93	+214
I B M	12¼	92	101⅞	11.49	+285
I B M	7⅝	93	92¾	9.68	+124
I B M	10¼	95	101⅞	9.83	+155
I B M Apr	6¾	90	97	10.51	+290
I B M Mar	6¾	90	96¾	11.18	+364
I B M Credit	7¾	91	96¾	9.77	+181
Internatl Fin	8¼	93	94¾	9.94	+161
Kellogg Co	10⅞	90	100	10.24	
Kimberley	12	94	107¼	10.18	+154
Liberty Mut	8½	96	94⅝	9.57	+32
Lockheed	7¼	89	99¼	9.50	+233
Merrill Lyn	8⅞	89	99¼	10.34	+314
Metlife	7¾	96	90¼	9.65	+89
Many Fund	8¼	96	92⅝	9.67	+90
Many Fund	8⅛	97	91	9.81	+102
Morgan Gty	12¼	89	100	n.a.	
Morgan Gty	12⅜	89	100¾	9.32	+237
Morgan Gty	7	90	98	9.51	+196
Morgan Gty	7¼	91	94¼	9.92	+178
Morgan J P	10¾	92	102.050	9.61	+133
Morgan J P	11¼	92	101⅞	10.44	+189
New England	11¾	95	106¾	10.10	+160
O C C H	8½	93	95½	9.96	+164
Pepsico	7¼	91	94	10.00	+185
Pepsico	8⅞	91	97½	9.90	+194
Pepsico	7⅜	93	92⅜	9.79	+146
Pepsico Inc	8	93	94⅞	9.74	+143
Philip Mrls	9½	89	99½	9.88	+251
Philip Mrls	7½	91	94¼	10.19	+206
Philip Mrls	10	95	100¼	9.92	+183
Philip Mrls	9⅞	98	99½	9.95	+110
Pillsbury	10¼	93	100	10.22	+181
Proct & Gamble	9⅞	92	99¾	9.92	+239
Proct & Gam	10	95	100¾	9.82	+174
Proct & Gam	9½	98	98¼	9.79	+95
Proct & Gam	9⅝	01	99	9.76	+82
Prudential	7¾	91	96⅛	9.68	+164
Prudential	8	93	95⅛	9.37	+95
Prudential	10⅜	93	102¾	9.72	+140
Prudential	8¾	94	98⅝	9.15	+59
Prudential	12⅛	95	107¾	10.22	+163
Reynolds RI	10	91	96¾	11.53	+340
Reynolds	10¼	93	95¾	11.52	+312
Rockwell	9⅞	90	99	10.77	+298
Sears	11⅝	91	102¼	10.61	+207
Sears	11⅝	93	105½	9.97	+156
Sears Roeb	8½	90	98	9.87	+203
Smithkline	8⅞	92	96	10.24	+199
Utd Technol	11¼	92	102⅞	9.90	+173
Utd Technol	7¾	93	92⅝	9.87	+153
Utd Technol	10⅜	95	102⅜	10.09	+175
Warner Lamb	8⅛	96	92½	9.44	+92
Xerox	8⅝	91	97¾	10.01	+206
Western Europe (Other)					
Austr Contr	10¾	90	101	9.53	+176
Austr Contr	10	91	100⅞	9.74	+177
Austr Control	9⅛	92	98½	9.59	+130
Austria	8½	90	98¼	9.73	+185
Austria	13⅜	92	109½	9.89	+165
Austria	11¼	95	107⅞	9.36	+70
Austria	7¾	97	91¾	9.28	+49
Austrian Contr	8⅞	93	95⅞	9.53	+122
Banco Di Roma	9⅛	93	93½	n.a.	
Belgium	8½	93	96⅛	9.67	+136
Deut Bank	8	98	91	9.51	+64
Dsl Bank	7½	96	88¼	9.92	+119
Dsl Bank	8⅛	96	91	9.93	+118
Ferrovie Dello	8½	93	96½	9.61	+128
Fiat Fin Trade	8½	91	97¼	10.03	+201
Hoechst Tr A	7¾	92	93¾	10.01	+180
Hoechst Tr B	7⅞	94	93	9.75	+125
Hoechst Tr C	8¼	97	93¼	9.50	+71
Mercedes-Benz	8¼	92	95⅝	9.91	+168
Mercedes	7¼	93	91	9.77	+132
Mercedes	7½	93	92¼	9.82	+144
Mercedes Benz	8½	95	94¾	9.72	+105
Netherlands	6¼	98	97½	6.64	6.42
Portugal	8¼	91	97¼	9.95	+199
SBC Finance	7¾	90	98	9.97	+224
Shell Oil	9⅛	90	99¼	9.75	+187
Unilever	9⅞	92	100¾	9.57	+129
Unilever	8⅞	98	96¼	9.51	+66

Dollar Zero Coupons

Issuer	Mat	Price	Yld Mat	Spd. Trsy
A D B	04	26½	9.10	+4
A I G	04	26⅞	9.03	-3
A R C O Fin	92	77⅞	9.93	+175
Amex	00	36¼	9.20	+26
Austria Rep	95	58¼	9.22	+53
Baker Feb25	92	75	11.11	+292
Benefic Feb10	90	93¾	9.78	+230
Bk of Tokyo	91	82½	10.31	+210
BP Capital	95	57⅞	9.46	+77
Bq Indosuez	92	77	10.06	+186
Campbell	92	75¼	10.09	+188
Caterpillar	92	73½	10.12	+187
Caterpillar	94	68¾	8.31	-17
Centrust	10	15⅞	9.30	+21
Crocker	92	76¼	10.45	+226
Denmark	91	80	9.45	+132
Denmark	98	44⅛	9.25	+39
Du Pont Overs	90	93½	10.16	+268
E D F	94	62⅜	9.23	+64
Exportfin	94	61½	9.53	+93
Exxon Cap	04	26¾	8.91	-16
F N M A Bear	14	10⅛	9.35	+28
Fiat	91	83	10.01	+202
Firstfed	05	24½	9.35	+27
Florida Fed	95	56¾	9.85	+116
Fluor Fin	90	92¼	10.20	+261
G D F	92	77½	9.81	+161
G D F	94	64¾	9.58	+109
G E C Feb 17	92	78⅛	9.53	+134
G E C Intl	93	71⅛	9.42	+131
G E C Intl	94	64⅛	9.61	+112
G E C Intl	95	59¾	9.52	+85
G E C Intl	96	52¾	9.45	+70
Genl Mills	04	24¼	9.77	+71
Genl Mills	13	12½	8.97	-10
GMAC Ov Feb03	92	78	9.74	+156
GMAC Ov Oct91	92	73	9.90	+164
GMAC Overs	90	93½	10.20	+272
Gulf Oil	92	77⅛	9.90	+170
Hewlett Pac	91	86¼	9.77	+187
I A D B	92	69¾	10.72	+243
I F F	93	68¾	10.14	+182
Indust Kred Bk	91	83	10.01	+202
Marubeni	95	55¾	10.02	+133
Mutual Ben	06	23¼	9.15	+4
N I B	94	61⅞	9.52	+93
New England	99	40¼	9.87	+100
Penney Jc	94	63¾	10.05	+156
Pepsico	92	77¾	9.93	+175
Pepsico	94	63⅞	9.89	+148
Philip Morris	94	61⅞	10.08	+154
Prudential	99	42⅞	9.20	+32
R J Reynolds	92	73½	12.00	+381
S E K Mar	94	64⅛	9.66	+117
S E K Sep	94	62	9.48	+89
SSC Fin	97	47	9.34	+51
Sears	92	76⅞	10.18	+198
Sears May27	94	61¾	10.15	+161
Sears Jul	98	42¼	9.91	+105
Siemens W Ew	01	34⅛	9.30	+34
Sumitomo	91	83½	10.13	+215
Suntory	93	67½	10.30	+196
Transam Fin Co	89	94¾	10.14	+276
Transam	91	79¾	10.57	+249
Xerox Credit	92	76¾	10.32	+213

DM Straights

Issuer	Cpn	Mat	Price	Yld Mat	Cur Yld
European					
Amro Bank	5¾	94	95.25	6.93	6.04
Asfinag	6¾	95	97.25	7.29	6.94
Audi Fin Nv	7⅜	94	99.75	7.43	7.39
Austr Control	7⅜	89	101.50	2.66	7.27
Austr Control	8⅞	89	101.00	4.45	8.79
Austr Contr Pp	6⅛	91	98.25	7.23	4.23
Austr Control	7⅜	91	101.80	6.93	7.55
Austr Control	5	92	95.50	6.66	5.24
Austr Contr Pp	5½	92	95.25	7.34	5.77
Austr Control	6	96	95.50	6.80	6.28
Austr Control	6¾	97	96.60	7.31	6.99
Austria	7⅝	89	99.80	9.59	7.64
Austria	5¾	90	98.75	6.67	5.82
Austria	7	92	100.65	6.70	6.95
Austria	8⅜	92	101.25	7.89	8.27
Austria	8	93	103.35	7.02	7.74
Austria	7⅝	94	101.60	7.21	7.50
Austria	5⅞	97	92.75	7.11	6.33
Austria	6	98	92.65	7.15	6.48
Austria	6¼	02	92.00	7.23	6.79
B F C E	9¼	89	100.15	7.70	9.24
B F C E	8¼	90	100.95	7.28	8.17
B F C E	6½	95	96.35	7.23	6.75
B F C E	6⅛	97	93.50	7.25	6.55
B M W	5¼	96	89.45	7.24	5.87
B N P	7¾	90	99.75	7.98	7.77
Bank of Greece	5¾	92	95.50	7.44	6.02
Bank of Greece	6¾	94	97.25	7.45	6.94
Bank of Greece	6½	95	96.00	7.34	6.77
Barclays	8⅛	98	102.25	7.77	7.95
Beecham	7⅜	94	99.50	7.48	7.41
Bhf-Fin.	6⅜	91	99.05	6.99	6.44
Bq Indosuez	7¾	90	99.85	7.83	7.76
Btr	7⅜	94	98.75	7.65	7.47
C C F	6⅜	94	97.45	7.02	6.54
C E P M E	8	91	101.25	7.26	7.90
C E P M E	7¼	97	99.50	7.33	7.29
C N A	8⅛	94	102.00	7.63	7.97
C N E Jan	8	93	101.75	7.48	7.86
C N T	7¾	93	100.75	7.49	7.69
C N T	6⅜	96	95.75	7.19	6.66
Commerzbank	5½	92	96.35	7.04	5.71
Commerzbank	5¾	93	95.15	7.08	6.04
Commerzbank	6½	93	98.85	6.85	6.58
Copenhagen	6	90	98.25	7.31	6.11
Copenhagen	8½	94	102.35	7.85	8.30
Copenhagen	7⅜	95	100.75	7.20	7.32
Coptel	8¾	93	104.25	7.50	8.39
Cr Foncier	8¼	90	100.50	7.74	8.21
Cr Foncier	7¾	92	99.85	7.79	7.76
Cr Foncier	8¾	92	101.75	8.04	8.60
Credit Natl	8⅛	94	102.75	7.40	7.91
Daimler Benz	5¾	01	86.75	7.46	6.63
Danish Export	6	91	97.25	7.28	6.17
Degussa	7½	94	100.65	7.32	7.45
Degussa Intl.	6⅛	97	91.75	7.53	6.68
Den Danske Bk	5¾	93	94.75	7.28	6.07
Denmark	7⅜	89	99.55	8.10	7.41
Denmark Oct	5⅞	91	97.95	6.80	6.00
Denmark	10⅛	92	106.75	7.30	9.48
Denmark	6¼	93	97.40	6.94	6.42
Denmark	8	93	103.25	7.02	7.75
Denmark	7⅞	94	102.05	7.35	7.72
Denmark Mtg Bk	7⅝	95	102.25	7.14	7.46
Deut Bank	6	91	97.25	7.26	6.17
Deutsche Bank	5½	92	96.50	6.97	5.70
Deutsche Bk	6	92	98.20	6.76	6.11
Deutsche Bk	5½	93	96.08	6.72	5.73
Deutsche Bank	6¼	95	95.25	7.29	6.56
Deutsche Bk	5⅝	96	91.00	7.32	6.18
Dresdner Fin.	4½	92	92.85	7.55	4.85
E D F	8⅜	93	101.25	8.00	8.27
E D F	6⅛	96	92.75	7.46	6.60
E D F	5¾	97	89.75	7.49	6.41
Elsam	6¾	93	96.75	7.62	6.98
Finland	7½	91	101.75	6.44	7.37
Hammerson	6	92	96.50	7.48	6.22
Heraeus	6¼	96	93.45	7.44	6.69
Hoesch	7	95	97.25	7.54	7.20
Hoesch Int.Fin	6⅛	94	94.75	7.39	6.46
Hoogovens	6	92	96.55	7.40	6.21
Hoogovens	6⅛	93	95.35	7.47	6.42
Hoogovens	7⅜	95	101.25	7.11	7.28
Ibm Pp	7¾	92	100.25	7.80	7.73
Ici Intl	6½	92	100.80	6.48	6.50
Ireland	8⅞	91	101.75	7.61	8.72
Ireland	8	94	102.25	7.46	7.82
Jydsk Tel	6¾	95	97.90	7.16	6.89
Lonrho Intl	7¼	92	99.60	7.37	7.28
Lufthansa	6	96	92.75	7.36	6.47
Lufthansa	6¼	16	89.75	7.11	6.96
Michelin	7¾	98	100.05	7.59	7.75
Midland Bk.	6½	96	95.10	7.38	6.83
Nat Bk Hungary	7¾	93	101.75	7.18	7.42
Nat Bk Hungary	6⅞	96	94.50	7.89	7.28
Neste Oy	6½	92	97.40	7.37	6.67
Norpipe	6	89	99.15	7.80	6.05
Norsk Hydro	6¾	89	99.65	n.a.	6.77
Norsk Hydro	9	92	99.35	9.21	9.06
O E L E G	6½	95	97.25	7.04	6.68
Oest Ind Ver	7	95	99.25	7.15	7.05
Oslo	7¾	93	99.75	7.81	7.77
Pk Banken	5¾	96	93.35	6.99	6.16
Portugal	7¾	92	101.25	7.26	7.65
Prudential Fin	6	97	92.40	7.29	6.49
Rabobank	7⅜	94	101.90	7.17	7.48
Rank Xerox	7½	93	99.50	7.64	7.54
Renault	8	90	100.00	8.00	8.00
S C N	8	91	100.45	7.64	7.95
S C N	7⅜	94	99.85	7.39	7.39
S C N	7	95	98.25	7.33	7.12
S C N	7¼	95	99.45	7.32	7.28
S D R	7⅞	93	101.75	7.35	7.74
S N C F	7⅞	93	100.85	7.59	7.81
S N C F	8⅛	93	103.65	7.13	7.84
Statoil	5⅝	93	94.55	7.30	5.95
Statoil	6¼	97	93.00	7.46	6.72
Stowaag	5½	96	89.75	7.44	6.13
Superfos	7	95	100.65	6.86	6.95
Sweden	7⅞	94	101.65	7.46	7.75
Sweden	7¼	95	100.65	7.09	7.20
Sweden	6⅛	98	92.35	7.33	6.63
TauernautobahN	9⅝	94	106.75	8.09	9.25
Thyssen	6¾	95	97.25	7.29	6.94
Volkswagen	7¾	93	101.25	6.83	7.15
West Lb	5¾	98	89.50	7.39	6.42
Westl./Utrecht	6	97	92.80	7.24	6.47
Non-European					
Air Canada	9	92	103.75	7.62	8.67
Air Canada	7⅜	93	99.25	7.60	7.43
Amca	7⅜	92	99.25	7.60	7.43
Arab Banking	5½	92	95.25	7.29	5.77
Archer Daniels	6	97	92.00	7.36	6.52
Australia P/P	5¾	90	98.50	7.78	5.84
Australia P/P	5¼	91	96.25	7.00	5.45
Australia 1Ser	9⅜	91	104.50	6.46	8.97
Australia 2Ser	9⅜	91	102.50	8.29	9.15
Australia	7¾	92	102.75	6.80	7.54
Australia	6⅞	93	100.38	6.76	6.85
Australia	6¼	96	95.40	7.09	6.54
Australia	7¼	96	101.00	7.06	7.18
Bk America	5¾	90	98.00	7.25	5.87
Bk Nova Scotia	5⅝	96	90.00	7.53	6.25
Black & Decker	5¾	94	89.00	8.45	6.46
C P C Finance	6¾	01	92.75	7.71	7.28
Cb of Turkey	6⅞	92	98.50	7.48	6.98
Chrysler	6¾	96	96.00	7.52	7.03
Chrysler	6⅝	97	92.25	8.00	7.18
Citicorp	6⅜	96	95.75	7.13	6.66
Dai-Ichi	6½	96	94.75	7.52	6.86
Dow Chemical	6¾	95	99.85	6.77	6.76
Dow Chemical	5⅝	96	92.35	7.06	6.09
E D C	6⅞	90	99.75	7.03	6.89
Emhart	6¾	95	87.75	9.37	7.69
Ford Motor Ex	5¾	92	96.85	7.01	5.94
Ford Motor	7	95	97.00	7.59	7.22
Fuji	7¾	92	100.75	7.41	7.69
Genl Motors Co	5⅝	96	92.50	7.14	6.22
Gillette Fin.	6	94	93.75	7.53	6.40
Gould Intl	7⅝	91	99.50	7.90	7.66
Honeywell Inv.	6¼	97	91.25	7.79	6.85
Ind Bk Japan	5⅝	96	97.25	6.10	5.78
Itt	7	93	99.50	7.14	7.04
J F M	7⅝	91	100.25	7.48	7.61
Jap Dev Bk	7½	90	99.65	7.83	7.53
Jap Fin Corp	6⅜	92	98.25	6.94	6.49
Kobe City	7⅛	89	99.55	8.11	7.16
Kobe City	8	90	101.70	n.a.	7.87
Kobe City	7	93	99.75	7.07	7.02
Malaysia	7½	95	101.00	7.29	7.43
Manitoba	7⅜	93	101.80	7.87	7.30
Manitoba	7⅝	94	102.05	7.14	7.47
Manitoba	6⅜	95	96.10	7.14	6.63
Manitoba	5⅞	96	91.90	7.34	6.39
Mcdermott	6½	91	97.65	7.75	6.66
Mcdonalds Dec	7⅛	92	101.75	6.54	7.80
Mcdonalds Fin	7¾	94	101.75	7.32	7.62
Montreal	5⅞	98	89.95	7.46	6.53
Mount Isa	7¾	92	100.45	7.56	7.72
N C B	7¼	91	103.45	5.26	7.01
N T T	6⅛	97	92.25	7.46	6.64
New Zealand	9¾	89	100.75	7.78	9.68
New Zeala Apr	7¼	91	99.65	7.44	7.28
New Zeala Oct	7¼	91	99.75	7.34	7.27
Nippon Steel	6¼	89	99.35	7.82	6.79
Occidental	6¾	90	98.40	7.88	6.86
Owens Corning	7¼	00	98.50	7.44	7.36
Philip Morris	6	96	93.00	7.34	6.45
Pillsbury	6⅜	92	96.25	7.87	6.88
Quebec Hydro-E	10¼	91	105.65	7.64	9.70
Quebec Hydro-E	8	93	105.05	6.41	7.62
Quebec Hydro	7¾	94	102.25	7.19	7.58
Quebec Hydro	7⅛	95	101.00	6.91	7.85
Quebec Hydro	5½	96	90.50	7.30	6.08
Quebec Hydro	6	16	85.15	7.27	7.85
Quebec Prov	7½	91	102.75	5.89	7.30
Quebec Prov	10¾	97	106.15	7.63	10.13
Quebec Prov	7⅜	95	102.40	7.89	7.45
Quebec Prov	6	97	91.50	7.47	6.56
Quebec Prov	6½	98	95.85	7.15	6.78
Reynolds	7⅜	94	99.75	7.42	7.39
Reynolds Ind	6⅞	00	83.00	9.34	8.28
Royal Bk Cda	7¾	90	99.75	7.95	7.77
Royal Ins.	5½	92	94.75	7.61	5.80
Sperry Corp	8	94	101.25	7.69	7.90
Sterling Drug	7¼	94	92.80	9.12	7.80
Sumitomo Fin	7¾	90	99.75	7.88	7.77
Sumitomo Fin.	8	97	101.55	7.18	7.88
Tenneco	6⅞	95	94.25	8.04	7.29
Tokyo Elec.	6	97	92.55	7.29	6.48
Union Oil of C	6⅛	98	90.15	7.69	6.79
Utc	7¼	91	99.00	7.70	7.32
Westpac	5⅞	96	91.75	7.44	6.40
Supranational					
A D B	10⅞	89	101.25	6.81	10.42
A D B	7¾	91	100.75	7.26	7.69
A D B	8¼	92	102.90	7.25	8.02
A D B Apr	9¼	92	104.50	7.44	8.85
A D B Aug	9¼	92	103.45	7.97	8.94
A D B	8½	93	103.50	7.52	8.21
A D B	7¾	94	102.25	7.17	7.58
A D B	8	94	103.25	7.23	7.75
A D B	6½	95	96.35	7.23	6.75
A D B	6⅜	96	92.45	7.45	6.61
A D B Apr	7¾	97	102.90	7.25	7.53
African Dev Bk	6¼	96	93.75	7.43	6.67
Council Europe	8	92	100.25	7.89	7.98
Council Europe	8¾	92	103.25	7.51	8.47
Council Europe	7⅞	93	100.25	7.78	7.86
Council Europe	8¼	93	100.25	8.16	8.23
Council Europe	8⅜	93	101.00	8.07	8.29
Council Eur.Ex	5⅝	94	99.25	6.05	5.92
Council Europe	6⅛	94	94.95	7.35	6.45
Council Europe	7½	94	100.25	7.43	7.48
Council Europe	8¼	94	102.50	7.68	8.05
Council Europe	6⅝	95	97.00	7.22	6.83
Council Europe	7½	95	100.75	7.34	7.44
E C S	8	90	100.75	7.27	7.94
E C S	7	92	99.00	7.31	7.07
E C S Jan	7½	93	100.75	7.34	7.44
E C S May	7½	93	101.00	7.19	7.43
E C S	9¾	94	105.00	8.38	9.29
E C S	7	95	98.75	7.25	7.09
E C S	6⅞	97	97.20	7.32	7.07
E E C	8	92	101.60	7.29	7.87
E E C	5⅜	93	94.95	7.00	5.66
E E C Jun	8¼	93	101.85	7.70	8.10
E E C	10⅛	93	104.15	8.91	9.72
E E C	8	94	101.75	7.58	7.86
E E C	7¾	95	101.45	7.42	7.64
E E C	7½	96	101.65	7.19	7.38
E E C	6½	97	95.00	7.32	6.84
E I B	6	89	99.25	10.11	6.05
E I B	7½	89	99.85	n.a.	7.51
E I B	5¼	90	98.35	7.50	5.34
E I B	6	90	98.25	7.39	6.11
E I B	6½	91	98.75	7.33	6.58
E I B	8	91	101.35	7.36	7.89
E I B 1Ser	8¼	92	101.18	7.84	8.16
E I B 2Ser	8¼	92	101.15	7.84	8.16
E I B May	8⅜	92	102.25	7.49	8.19
E I B Aug	9⅝	92	101.45	8.81	9.24
E I B Feb23	7½	93	101.40	7.04	7.40
E I B May01	7½	93	101.40	7.07	7.40
E I B Mar	7¾	93	101.00	7.42	7.67
E I B	8	93	101.50	7.56	7.88
E I B Sep	8¼	93	101.70	7.75	8.11
E I B	7¼	94	99.75	7.29	7.27
E I B	7⅞	94	101.25	7.57	7.78
World Bk Pp	7⅛	91	99.85	7.66	7.19
World Bk	7⅜	91	100.85	7.32	7.27
World Bk	7¾	91	101.15	7.13	7.66
World Bk	9¼	91	102.75	7.29	9.80
World Bk	10	91	104.65	7.83	9.56
World Bk	10½	91	106.60	7.08	9.85
World Bk Pp	5⅜	92	95.35	7.26	5.64
World Bk Pp	6⅜	92	100.25	6.25	6.36
World Bk Pp	6⅜	92	100.25	6.27	6.36
World Bk Pp	7¼	92	100.40	7.09	7.22
World Bk	7¾	92	101.75	7.04	7.62
World Bk	8⅛	92	102.85	7.06	7.90
World Bk	8¼	92	103.05	7.21	8.01
World Bk May	8½	92	103.35	7.18	8.22
World Bk	9	92	105.80	7.20	8.57
World Bk	9½	92	106.75	7.03	8.90
World Bk	5¾	93	94.75	7.31	6.09
World Bk	7¼	93	100.75	6.99	7.20
World Bk	7½	93	101.15	7.14	7.41
World Bk Dec	8	93	103.00	7.18	7.77
World Bk Nov	7⅝	94	101.55	7.25	7.51
World Bk	8⅛	94	103.65	7.25	7.84
World Bk	6½	95	98.65	6.76	6.59
World Bk Jan	7⅛	95	100.45	6.97	7.09
World Bk	7¼	95	101.25	6.96	7.16
World Bk	7¾	95	102.25	7.25	7.58
World Bk	5¾	96	92.85	7.11	6.19
World Bk	6	96	94.25	7.05	6.37
World Bk	5⅞	97	92.65	7.14	6.34
World Bk	6¼	97	101.95	5.94	6.13
World Bk Mar	6¼	16	88.05	7.27	7.10

Listing above does not include floating rate notes or convertibles.
Coupon, price and yield are expressed in percent.
For dollar-denominated issues, Spd/Trsy is differential between yield to maturity of bond and yield on U.S. Treasury's issues with the same maturity, expressed in basis points.
Prices and yields are all on a bid basis.
Pp: private placement.
W/w: with warrants.
X/w: ex warrants.

DM Zero Coupons

Issuer	Mat	Price	Yld Mat
Austria	95	133.75	n.a.
Austria	00	140.35	n.a.
Austria	16	142.75	n.a.
Commerzbk	95	68.25	6.61
Commerzbank	00	47.75	6.84
Euro Dm Sec C	96	62.75	7.03
Euro Dm Sec A	01	42.95	7.44
Euro Dm Sec B	06	28.45	7.75
Euro Dm Sec D	06	28.25	7.79
Euro Dm Sec D	21	9.58	7.67
Euro-Dm A	06	28.45	7.78
Euro-Dm C	06	28.25	7.79
Euro-Dm A	11	19.35	7.83
Euro-Dm D	11	19.50	7.77
Euro-Dm	14	13.45	n.a.
Euro-Dm B	16	14.10	7.57
Euro-Dm C	16	13.90	7.62
Euro-Dm D	26	7.08	7.45
Federal Sec.	07	25.25	8.14
Intercontl	00	46.75	7.08
World Bk	15	14.95	7.13

ECU Straights

Issuer		Mat	Price	Yld Mat	
Aerospatiale	7⅛	92	95¾	9.51	7.96
Austria	7⅛	93	96	8.63	7.68
B F C E	8⅜	93	98⅞	8.92	8.72
B F C E	7⅝	96	94½	8.74	8.07
Bca Naz Del La	7⅝	94	94½	9.06	8.07
C C C E	7½	92	96⅞	8.82	7.74
C N A	7⅜	95	93	8.94	7.93
C N T Tra B	9⅝	95	101½	9.52	9.73
Cr Foncier	7⅝	94	95⅛	8.80	7.99
Cr Lyonnais	6⅜	92	94¼	8.74	6.76
Credit Locl Fr	7½	93	96.050	8.72	7.81
Credit Natl	7⅜	90	98	9.99	7.53
Credit Natl	8¾	95	96½	9.66	9.20
Credit Suisse	7¼	93	94¾	8.82	7.65
Denmark	7¾	92	96¼	9.29	8.05
Denmark	7⅞	94	96½	8.81	8.16
Denmark	7⅝	96	93¾	8.87	8.13
E C S C	8	97	95½	8.82	8.38
E D C	6⅝	96	87⅞	8.89	7.25
E D F	7¼	98	91½	8.50	7.80
E E C	7½	92	96⅞	8.81	7.74
E E C	8⅞	93	100⅛	8.81	8.86
E E C	7⅝	94	95½	8.81	7.98
E I B	8⅜	93	99⅜	8.73	8.66
E I B	7⅝	94	95¾	8.78	7.97
E I B	8⅜	97	98.050	8.69	8.54
Elf Aquitaine	8⅜	88	100	n.a.	8.37
Euratom	7¾	96	91½	9.04	8.06
Euratom	7⅜	97	91¼	8.97	8.09
Eurofima	7⅝	94	95½	8.82	7.98
Eurofima	7⅜	97	92¼	8.77	7.99
Finnish Export	7⅜	92	96⅞	8.66	7.61
GMAC	7¼	89	99	n.a.	
I B M	8¼	98	98¾	9.36	8.35
Italy		96	60	7.64	
Merrill Lynch	7	90	96¼	9.67	7.27
Merrill Lynch	7⅜	90	98	9.90	7.53
Morgan Gty	8½	90	98½	9.76	8.63
N S Wales Trsy	7½	90	97¼	9.55	7.71
Nerso	9	95	97½	9.51	9.23
New Zealand	9¼	90	99¾	9.50	9.27
New Zealand	7¾	93	96¼	8.80	8.81
O L B Ew	9	89	99⅝	n.a.	9.07
Parbel Fin	8⅜	89	99⅝	14.17	8.46
Pechiney	10	99	100¼	9.51	9.98
Pepsico	7⅜	90	97½	9.69	7.82
Peugeot	9¼	90	99¾	9.36	9.27
Phibro Salomon	8½	96	94⅝	9.61	8.98
Philips Intl	9	93	98¼	9.55	9.16
Pirelli Fin	7½	91	97	9.26	7.73
Rabobank	7½	96	90½	9.42	8.29
S A S	9	95	98¼	9.37	9.16
S D R	7¾	95	94½	9.02	8.21
S E K	7⅝	92	97	8.58	7.60
Sec Pac	8¾	90	98⅞	9.85	8.85
Sweden	6½	96	90½	8.35	7.18
Toyota Motor	8	90	98	9.61	8.16
World Bk	8⅝	93	99½	8.75	8.67
World Bk	7½	94	94½	8.89	7.94
World Bk	8½	95	99⅝	8.61	8.55
World Bk	7¾	97	94⅝	8.72	8.18

Yen Straights

Issuer					
A I D C	6	96	103⅞	5.30	5.78
Austr Control	5¾	91	100½	5.48	5.72
Australia	5½	91	100¼	5.36	5.49
Austria	7	95	108½	5.28	6.45
Austria A	5⅝	96	102⅛	5.26	5.51
B F C E	5¾	96	102⅛	5.38	5.63
Barclays Overs	6	96	103⅛	5.46	5.82
Belgium	4⅜	91	97¾	5.53	4.48
Belgium 2 M	4⅝	94	97	5.32	4.77
C N C A	5⅛	94	99¼	5.30	5.16
S E K	6	91	101¼	5.27	5.93
S N C F	4⅞	93	98	5.45	4.97
Sallie Mae	6⅝	92	103¼	5.26	6.42
Sweden	5⅜	91	100¼	5.25	5.36
Sweden	5½	91	100¼	5.37	5.49
Sweden	4⅝	92	97⅛	5.22	4.49
Sweden	5¼	94	100⅛	5.22	5.24
Sweden	5⅝	95	101⅞	5.26	5.52
Sweden	6	96	104⅛	5.26	5.76
Tokyo Elect P	4⅞	92	99⅞	5.14	4.91
World Bk Oct	5½	92	100¾	5.34	5.46
World Bk	4⅞	94	98⅛	5.26	4.96
World Bk	6⅝	94	106½	5.24	6.22
World Bk	7	94	107⅛	5.25	6.52
World Bk	5¾	96	103¾	5.13	5.55
World Bk	6½	96	106⅛	5.29	6.10

Mutual Funds

Figures as of close of trading Friday May 26

NEW YORK (AP)— The following quotations, supplied by the National Association of Securities Dealers, Inc. are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

	Bid	Ask
IncBos	9.39	9.86
Invest	7.31	7.67
MunBd	9.21	9.67
NoulS	11.90	12.49
SpEqt	21.09	22.14
TotRt p	8.74	9.18
VS Spl	12.66	13.29
Eaton V Marathn:		
CalMn t	10.02	10.02
HiInc t	9.18	9.18
HiMun t	9.67	9.67
EclipEq	11.47	NL
EmpBld	17.09	17.94
FL TF	10.84	11.29
Gold	11.10	11.56
Grwth	21.74	22.65
HY TF	10.67	11.11
Incom	2.07	2.16
InsTF	11.24	11.81
MaTF	10.82	11.27
MI Tax	11.14	11.60
MNIns	11.50	11.98
NJTF	10.79	11.24
NY Tax	11.04	11.50
Ohiol	11.27	11.74
ORTF	10.69	11.14
TaxF t	8.29	8.29
Keystone America:		
Eqin t	10.76	10.98
GlbInc t	9.55	9.74
GovSc t	9.85	10.05
GlStk t	12.83	13.09
HiYld t	9.06	9.24
InvGd t	8.80	8.98
Omeg t	16.14	16.47
TxFr t	10.25	10.46
Kidder Group:		
Gvt t	14.32	14.32
KPE t	18.78	18.78
REInc	9.40	10.19
Stock	8.73	9.41
StrAll p	11.48	12.44
Tax Ex	10.02	10.49
TotRe	7.99	8.61
NatTele	17.73	18.61
Nationwide Fds:		
NatBd	9.28	10.03
NatFd	13.82	14.94
NatGl	9.22	9.97
TxFr r	9.47	9.47
Neuberger Berm:		
Genes	6.07	NL
Globl p	14.72	15.45
GroInc	12.30	13.44
Health	19.97	21.83
HiInc p	10.03	10.76
HI Yld	14.12	15.14
HYdII p	10.98	11.77
Incom	6.79	7.28
InfoSc	20.44	22.34
Int Eq	27.49	30.04
Invest	8.10	8.85
MaTx t	12.17	12.17
MITx t	12.51	12.51
MnTx t	12.37	12.37
USGv p	4.82	5.07
St FarmFds:		
Balan	20.74	20.74
Gwth	15.45	15.45
Muni	7.91	7.91
bc-mutual-funds.		
StStreet Resh:		
Exc	157.29	157.29
Grwth	90.89	90.89
Inv r	84.39	84.76
Steadman Funds:		
Am Ind	2.28	NL
Assoc	.72	NL

Wall Street Review

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
TexUtil	156314	31⅛	30⅝	31	+ ¼
Texaco	125786	56⅝	54⅛	55	+ ½
GenEl	98193	54⅞	52⅞	54¼	+ ¾
Avon	91838	37	33¼	36¾	+4½
AT&T	89256	35¾	34⅝	35¾	+ ⅜
WarnC	79737	52¾	50¼	51¾	+1⅜
EKodak	79106	45¾	43½	45⅜	+1⅛
IBM	74420	111⅞	109⅝	109½	—1⅛
RJR pf	67577	22¾	21⅛	22⅜	— ⅛
Maytag	65370	23⅞	20¾	23	+2⅛
FtBkSy	58507	24	23¼	24	+ ⅞
Citicorp	58283	32⅜	30½	31⅞	— ¼
SmkBck	57037	62⅞	60⅛	62⅞	+2¼
Exxon	56934	44¼	43⅞	43⅞	— ⅛
Merck	55025	72⅞	67¾	70½	—1⅞
Unisys	54547	26¼	24½	26⅛	+ ⅜
GMotr s	54450	42½	40⅛	40½	—1⅛
BnkAm	54371	28½	26½	28½	+2⅛
NCNB	54054	45⅛	41⅜	44⅝	+3⅛
UCarb	52735	28⅛	26⅞	27⅝	— ½
Digital	50283	96⅝	89⅞	91¼	—5½
Syntex	49836	48⅝	43⅞	47⅝	+3½
Navistr	48367	5⅝	5	5⅝	+ ⅛
PatmEl	47557	22	20⅝	21⅛	— ⅜
FordM	45954	50	47	48⅛	—1⅞

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
BAT	43552	9⅞	8⅞	9⅞	— ½
PruttL	21449	11	9⅞	11	+ ⅞
TexAir	17838	13⅞	12¾	13¾	+ ⅞
IntBknt	17286	5⅞	5⅛	5⅝	
EchoBy	16514	13½	12¾	13¼	+ ⅛
DWG	15505	15⅞	14	14¼	+ ⅜
Amdhl s	14532	22⅛	21	22⅛	+ ⅞
Lionel	12448	8	7	7½	+ ⅛
WangB	12806	8⅝	8	8¼	— ½
FAusPr	10684	8½	8¼	8¼	— ⅛
WDigtl	10064	11¾	11	11⅝	
NY Tim	9607	32⅝	29¾	32⅝	+2
Diasonc	9108	3	2⅝	2⅞	— ⅛
Coron n	8635	7¼	6	7	+ ⅝
OMI	8475	10	9	9½	— ⅛
MasmC	8250	5⅞	5⅝	5⅝	— ⅛
DataPd	7528	14⅛	13⅝	13⅞	+ ¼
Alza	7161	33⅞	31⅞	33⅞	+ ⅝
Gundle s	5781	25	21¼	22	—2½
ENSCO	5764	3⅛	2⅞	3	+ ⅛
Hasbro	4976	19⅝	18¼	19⅝	+1
PegGld	4837	9¾	8⅞	9⅝	+ ½
MC Sh n	4713	15	14½	14½	
HomeSh	4475	5⅝	4⅞	5⅝	
BolrPh	4227	28¼	27½	28	

NYSE Sales

	Sales Vol.
Total for week	848,890,000
Week ago	963,550,000
Year ago	678,730,000
Two years ago	631,150,000
Jan 1 to date	16,924,901,350
1988 to date	16,192,080,000
1987 to date	18,449,850,000

AMEX Sales

	Sales Vol.
Total for week	58,730,000
Week ago	63,720,000
Year ago	38,730,000
Jan 1 to date	1,159,890,000
1988 to date	1,067,740,000

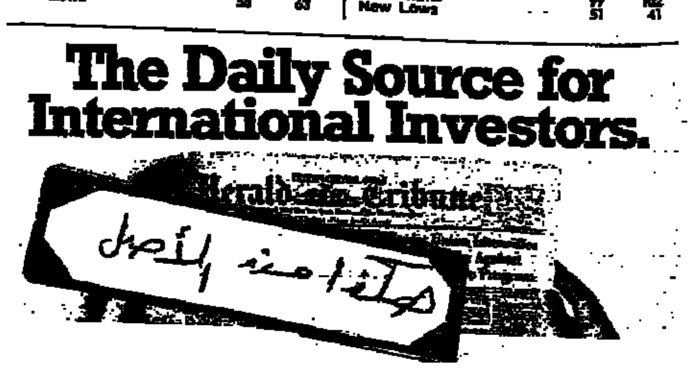
NYSE Diaries

	This Wk	Last Wk
Advanced	1133	1175
Declined	757	700
Unchanged	298	293
Total Issues	2188	2168
New Highs	400	223
New Lows	58	63

AMEX Diaries

	This Wk	Last Wk
Advanced	396	450
Declined	407	389
Unchanged	225	186
Total Issues	1028	1025
New Highs	99	102
New Lows	51	41

The Daily Source for International Investors.



New International Bond Issues

Compiled by G. Jennifer Shapiro

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
FLOATING RATES NOTE						
State Bank of Victoria	$200	perp.	3/8	100	—	Over the 3-month Libor. Every 3 months coupon reset and puttable at par. If borrower and issuer fail to agree on new margin, interest will be ⅞ point over Libor for the first 10 years and 1⅛ points thereafter. Fees undisclosed. Denominations $10,000. (Merrill Lynch Int'l.)
CMS 1 PLC	£110	1992	0.10	100	—	Over the 3-month Libor. Fees 0.125. Denominations £10,000. (Goldman Sachs Int'l.)
CMS 1 PLC	£65	1994	3/16	100	—	Over the 3-month Libor. Fees 0.20. Denominations £10,000. (Goldman Sachs Int'l.)
CMS 1 PLC	£25	1999	0.20	100	—	Over the 3-month Libor. Fees 0.225. Denominations £10,000. (Goldman Sachs Int'l.)
FIXED COUPON						
ASLK-CGER Ifico	$40	1996	10	101⅞	—	Callable at par in 1991. Fees 1⅞%. (Mitsubishi Finance Int'l.)
Austria	$100	1996	9¼	101½	99.875	Noncallable. Fees 1⅞%. (Merrill Lynch Europe.)
Deutsche Bank Finance Curacao	$200	1999	9⅝	101⅜	99.875	Noncallable. Fees 2%. (Deutsche Bank Capital Markets.)
Electrolux AB	$125	1994	9½	101⅜	99.125	Noncallable. Fees 1⅞%. (Credit Suisse First Boston.)
General Electric Capital Corp.	$300	1996	9⅝	101.70	99.70	Noncallable. Fees 1⅞%. (Kidder Peabody Int'l.)
Interfinance Credit National	$30	1990	15¼	101	—	Noncallable. Issuer has option to repay principal and interest in either U.S. dollars or Deutsch Marks. Fees 1%. Denominations $10,000. (Bankers Trust Int'l.)
Monte Dei Paschi di Siena (London)	$100	1994	zero	65.305	—	Yeild 8.89%. Noncallable. Issue is in the form of rolled up interest depositary receipt via the Royal Exchange Trust. Fees 1⅝%. Denominations $1 million. (Nomura Int'l.)
Rhone-Poulenc Commercial Finance	$50	1990	16	101⅜	—	Noncallable. Issue is linked to the dollar/mark spot price, if at maturity the spot level is 1.90 Marks or below, capital and interest will be repaid in U.S. dollars at 116%; if it is higher than 1.90 marks, the dollar repayment price will be 116% times 1.90 and divided by the spot rate. Fees 1%. (Société Générale.)
Société Générale Acceptance NV	$40	1990	13¾	101⅞	—	Noncallable. Repayment will be based on the price of gold with a guaranteed minimum of 86⅞% and a ceiling of par. Fees undisclosed. (Société Générale.)
Union Bank of Finland	$50	1992	—	101⅜	—	Noncallable. Coupon pays 11⅞% for the first year then linked to the U.S. Sweet Crud Oil price. A further $50 million is availble on tap. Fees 1⅞%. Denominations $10,000. (Goldman Sachs Int'l.)
Eurofima	DM 150	1993	8⅝	101⅛	98.50	Noncallable. Redeemable in either U.S. dollars or Deutsche Marks at a fixed rate of 1.80 D.M. Per U.S. dollar. Private placement. Fees 1⅝%. (Deutsche Bank.)
National Bank of Hungary	DM 200	1997	8	100	97.35	Noncallable. Fees 2½%. (Deutsche Genossenschaftsbank.)
THK Co.	DM 50	1994	7½	101½	—	Noncallable. Private placement. Fees 1⅞%. (Industrial Bank of Japan.)
Westlb Finance Nederlands	DM 100	1992	8¾	100⅛	—	Noncallable. Private placement. Issuer may pay the coupons and principal in either Deutsche Marks or Canadian dollars at a strike price of 1.52 Marks per Canadian dollar. Fees undisclosed. (Industrial Bank of Japan.)
Oesterreichische Kontrollbank (Austria)	£100	1992	12	100⅞	99.125	Noncallable. Fees 1⅝%. (Warburg Securities.)
European Investment Bank	Pts 10,000	1994	12.20	101	98.52	Noncallable. Fees 1⅝%. Denominations 100,000 Pesetas. (Banco Santander de Negocios.)
Commerzbank Overseas Finance of Curacao	DK 300	1993	zero	70¾	68.75	Yield 9.57%. Noncallable. Fees 1⅝%. Denominations 10,000 Danish Crowns. (Privatbanken.)
Barclays Bank	FF 500	1996	9	101½	99.50	Noncallable. Fees 1⅝%. Denominations 10,000 French Francs. (Banque Nationale de Paris Capital Markets.)
Unilever NV	ITL 150,000	1994	12¾	101⅜	99.375	Noncallable. Fees 1⅞%. Denominations 5 million lire. (Istituto Bancario San Paolo di Torino.)
Vnesheconombank	DF 250	1996	8	101½	98.95	Noncallable. Fees 1⅞%. Denominations 10,000 guilders. (Algemene Bank Nederland.)
Crédit Foncier de France	ECU 100	1996	9	101⅞	99.725	Noncallable. Fees 1⅞%. (UBS-Phillips & Drew.)
European Coal & Steel Community	ECU 41	1997	8	96⅝	—	Noncallable. Fungible with an existing 100 million ECU bond due in 1997. Fees undisclosed. (Swiss Bank.)
Federal Business Development Bank	ECU 100	1994	9	101.80	99.80	Noncallable. Fees 1⅞%. (Banque Paribas Capital Markets.)
Nationale Nederland U.S. Holding	ECU 100	1994	9	101¾	99.875	Noncallable. Fees 1⅞%. (Bankers Trust Int'l.)
Société Nationale des Chemins de Fer	ECU 175	1999	9	102	99.90	Noncallable. Fees 2%. Increased from a 100 million bond issued on April 27. (Crédit Lyonnais.)
Volvo Group Finance Europe	ECU 75	1991	9¼	101.45	100.30	Noncallable. Fees 1¼%. (Sumitomo Finance Int'l.)
Exportfinans	Aus$ 100	1990	18	101⅝	99.75	Noncallable. Fees 1%. (Nomura Int'l.)
IBJ Finance Co.	Y 20,000	2004	8¼	102¼	—	Noncallable. Coupon payments made in Australian dollars. Fees 2⅛%. (IBJ Int'l.)
World Bank	Y 10,000	1994	5¼	100⅝	—	Noncallable. Private placement. Fees ⅝%. (Norinchukin Int'l.)
EQUITY-LINKED						
Alps Electric	$250	1993	open	100	100.50	Coupon indicated at 4½%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set May 30. (Daiwa Europe.)
Daiwa House Industry Co.	$800	1993	open	100	98.50	Coupon indicated at 4⅜%. Noncallable. Each $10,000 note with two warrants exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set June 2. Denominations $10,000. (Nomura Int'l.)
Mitsubishi Heavy Industries	$1,500	1993	open	100	100.00	Coupon indicated at 4⅜%. Noncallable. Each $10,000 note with two warrants exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set June 1. Denominations $10,000. (Nikko Securities Europe.)
Mitsukoshi	$400	1993	open	100	98.25	Coupon indicated at 4⅜% Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set June 1. (Nomura Int'l.)
Nippondenso Co.	$1,000	1993	4	100	100.50	Noncallable. Each $10,000 note with one warrant exercisable into company's shares at 2,389 yen per share and at 143.15 yen per dollar. Fees 2¼%. Denominations $10,000. (Nomura Int'l.)
Olympus Optical (Asian Tranche)	$150	1993	open	100	100.50	Coupon indicated at 4⅜%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. (Nomura Singapore.)
Olympus Optical (European Tranche)	$150	1993	open	100	100.50	Coupon indicated at 4⅜%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. (Yamaichi Int'l Europe.)
Press Kogyo Co.	$100	1993	open	100	99.00	Coupon indicated at 4½%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2⅜%. Terms to be set May 31. (Nomura Int'l.)
Seiko Corporation	$80	1993	open	100	100.50	Coupon indicated at 5%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set May 30. (Daiwa Europe.)
Sapporo Breweries	$200	1993	open	100	100.50	Coupon indicated at 4⅜%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set May 30. (Yamaichi Int'l Europe.)
Showa Aluminium	$150	1994	4⅝	100	101.00	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,036 yen per share and at 144.34 yen per dollar. Fees 2¼%. (Nomura Int'l.)
Suzuki Motor Co.	$300	1993	open	100	100.00	Coupon indicated at 4⅜%. Noncallable. Each $10,000 note with two warrants exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Denominations $10,000. Terms to be set June 1. (Nikko Securities Europe.)
Toyota Motor Corp.	$1,500	1993	4	100	100.25	Noncallable. Each $10,000 note with two warrants exercisable into company's shares at 2,788 yen per share and at 142.00 yen per dollar. Fees 2¼%. Deniminations $10,000. (Nomura Int'l.)
WARRANT						
Trinkaus Und Burkhardt	5	1990	—	DM8.70	—	Puttable warrants entitling holders to sell U.S. Dollars at a fixed rate of 1.95 marks per dollar. Breakeven rate 2.037.
Trinkaus Und Burkhardt	5	1990	—	DM8.70	—	Callable warrants entitling holders to buy U.S. Dollars at a fixed rate of 2.00 marks per dollar. Breakeven rate 2.087.

Latin Debt Woes Pose New Threat to U.S. Banks

By Carl Gewirtz
International Herald Tribune

PARIS — Calling a spade a spade, Moody's Investors Service said last week that "Argentina has effectively defaulted on its commercial bank debt." But the rating agency said the de facto default would have no impact on its assessment of the credit standing of U.S. banks.

Moody's warned, however, that similar problems with other major borrowers, particularly Brazil, "could have negative rating implications for the most exposed institutions."

Although Argentina ceased paying interest on its roughly $35 billion of long-term debt owed to foreign banks in April 1988, Moody's said that a formal default has not been declared because "it would not be in the interest of either side to do so."

From the government's view, formal repudiation "would risk greater capital flight and withdrawal of trade lines," or short-term bank credits. Banks are reluctant to declare default because that "would have accounting consequences which they wish to avoid."

The default results from the fact that "Argentina is sinking deeper and deeper into economic chaos and is utterly unwilling and unable to service its external debt," which is estimated at roughly $60 billion.

"With Weimar-like hyperinfla-

INTERNATIONAL CREDIT

tion of 2,000 percent a year, a currency that has collapsed, an expanding fiscal deficit, and a labor force that has lost at least a third of its purchasing power" since 1983, Argentina appears to be on the brink of economic catastrophe, Moody's said.

The report added that sometime this year, one or more large banks "may elect to completely write off their Argentine exposure," putting pressure on other banks.

"A full write-off of Argentina would be stressful for the more exposed banks, especially Manufacturers Hanover Corp., which has the largest exposure, the weakest core earnings in the money center banks, and the lowest level of reserves" against loans to developing countries.

Write-downs against existing reserves "would have a significant, but not a serious accounting impact" on the balance sheets of the major U.S. banks.

Although money center banks have made progress in improving their generally weak capital levels as well as their core profitability, Moody's said that "there is a risk that this slow rebuilding effort could be overtaken by events which would force a more rapid write-down of Latin American exposure, resulting in regulatory capital pressure at the weaker banks."

Other news in the international credit market last week included the long-awaited terms on RTZ Corp.'s financing of its purchase of the major mineral assets of British Petroleum PLC. The full price of the acquisition is expected to total $4.3 billion and the major part of the financing is a $3.1 billion medium-term credit underwritten by a group of banks led by Barclays PLC and Morgan Guaranty Trust Co.

The actual borrowers, under the guarantee of RTZ International Holdings and RTZ European Holdings, are a Canadian subsidiary — Tinto Investments Ltd. — and two U.S. units — U.S. Borax & Chemical Corp. and Usever Inc.

Tinto will draw up to $700 million for a five-year period, paying 30 basis points over the London interbank offered rate. The $2.4 billion loan to the U.S. companies will run for eight years and carry a margin of 40 basis points over Libor.

The remainder of the financing will come from a rights issue, with current holders of seven shares entitled to buy one new share at a price of 435 pence ($6.92). The 114.5 million new shares will raise £486 million for RTZ.

Given the size of the bank loan and the relatively long maturity, bankers described the terms as tight. But no one doubted the success. One of the world's largest mining companies, RTZ has many banking relationships that can be counted on to help in the transaction.

Also in the market is Elders Resources NZFP Ltd., which is seeking $500 million as a multioption facility. The actual borrowers will be wholly owned and subsidiaries in Australia, New Zealand, Britain and the United States, all carrying the parent guarantee. They can draw on this as a revolving credit or use it as a backstop for the sale of notes or for advances from banks. At the lenders' option, the facility can be extended annually after the the third year.

The annual facility fee is 12½ basis points. Interest to draw on the credit is set at 15 basis points over Libor which rises by 5 basis points if more than a third is used and by 7½ basis points if more than two-thirds is drawn. Front-end fees range up to 12½ basis points for banks underwriting $35 million.

Citicorp, which is arranging the Elders' financing, is also putting together a $300 million revolving credit for Burlington Northern Railroad Co. The U.S. company will use the funds to partially replace a more expensive domestic facility of $750 million arranged last October.

The new three-year credit carries an annual facility fee of 10 basis points. The interest charge is set at 12½ basis points over Libor which rises 7½ basis points if more than half the amount is drawn. Front-end fees range up to four basis points for banks underwriting $50 million.

Tampella Ltd., a leading forest products company in Finland, is seeking a $100 million, seven-year term loan to replace existing short- and medium-term facilities.

BRITAIN: *Wage Ills Resurfacing*

(Continued from first finance page)

an overly expansionary monetary policy in the mid-1980s, government encouragement of consumer credit and a tax-cutting budget in 1988 that stimulated an economy that was already overheating.

Yet beyond suggesting flaws in the government's policies, analysts point out that Britain may simply be a more inflation-prone economy than had been suspected. The central reason for the persistence of inflation in Britain, they add, is continuing pressure from wage increases.

"We still have incredibly rigid labor markets," said Alan Davies, director of economics research at Barclays Bank PLC. "And that is the main reason the progress we've made on inflation during the 1980s has been relatively modest, compared with the rest of the world."

The current revival of industrial conflict has led some commentators to call this the "spring of discontent," a reference to the debilitating run of strikes and pay disputes during the 1978-79 "winter of discontent" that brought Mrs. Thatcher to power.

London commuters and the nation's television viewers have been inconvenienced by a series of one-day strikes in the past few weeks by subway workers and the staff at the state-owned British Broadcasting Corp. Longshoremen have voted to strike, and the massive engineering union, whose 2 million members represent nearly 40 percent of the manufacturing work force, is targeting companies for strikes after rejecting a proposed wage increase of 6 percent.

However, the rules governing union activity have changed markedly and the proportion of British workers belonging to unions has fallen from 52 percent at the start of the 1980s to less than 42 percent. Moreover, the Thatcher government passed a series of laws to check the power of militant unions and the spread of strikes.

Accordingly, analysts do not believe Britain is threatened with a wave of industrial unrest that could seriously disrupt the economy. Yet they are worried that the current round of disputes reflect wage agreements that meet or exceed the inflation rate regardless of productivity gains or the financial resources of employers.

"In the United States and most other countries, the wage negotiations are much more about what the companies can afford to pay," said Andrew Britton, director of the National Institute of Economic and Social Research. "But in Britain, they are about what the companies ought to pay."

Earnings of workers, which include overtime and bonus payments, are rising at 9.25 percent yearly. Even in the periods during the 1980s, when inflation was less than 3.5 percent, earnings rose at 7.5 percent.

The huge reduction in industrial unrest owed much to deep recession and restructuring of the British economy in the early 1980s that swelled the jobless rolls to more than 3 million, or 13 percent of the work force. Yet because of the strong economic growth of recent years, unemployment has fallen sharply, to 1.86 million in April, or 6.5 percent.

In the restructured British economy, less dependent on heavy industry and more reliant on services and high-technology goods, today's unemployed tend to be outsiders who lack the skills to compete for the jobs available. The lack of competition, in turn, strengthens the hand of skilled workers seeking hefty pay increases.

Most economists expect Britain's inflation rate to come down in the next couple of years the hard way, by throttling growth. High interest rates make borrowing for consumers and corporations more expensive, crimping spending and investment.

Pöhl Says Mark To Depend on Stable Prices

Reuters

FRANKFURT — The Bundesbank president, Karl Otto Pöhl, was quoted Sunday as saying the central bank wants to steady the Deutsche mark against the U.S. dollar by keeping domestic prices stable.

The remarks, made on Friday and quoted in the Welt am Sonntag newspaper, followed the dollar's temporary surge over 2 DM last week, a two-and-a-half-year high.

The Bundesbank intervened to sell dollars in the open market on Friday, its first such appearance in two weeks, after the dollar had already eased below 2 DM. With the Bundesbank restraint, there was speculation that it was no longer seeking to hold the dollar within a prescribed range.

Mr. Pöhl noted the Bundesbank raised interest rates several times in the past 12 months to slow monetary expansion. "This will also have an effect on the exchange rate," he said.

Caracas to Set Trade Policy

Reuters

CARACAS — Carlos Andrés Peréz, the Venezuelan president, on Monday will announce a new trade policy that should include cuts in tariffs, government and ruling party sources said.

The new trade policy is part of an austerity program designed to ease price controls, reduce inflation and open the way for Venezuela to receive fresh loans from international lending agencies, the sources said. The measures were likely to increase foreign exports to Venezuela and force some domestic industries such as car-assembly and textiles to increase efficiency, economic analysts said.

The state news agency Venpres said on Saturday that Mr. Peréz had postponed his announcement to Monday.

IMF Gives Official Approval To $4 Billion Mexico Loan

Compiled by Our Staff From Dispatches

WASHINGTON — The International Monetary Fund has formally approved $4.08 billion in loans for Mexico that will enable the country to negotiate debt-reduction arrangements with its creditor banks.

The IMF board on Friday approved an extended-facility loan to Mexico over a three-year period for 2.8 billion special drawing rights ($3.52 billion). It approved a second loan of 453.5 million SDRs to compensate Mexico for greater-than-expected cereal imports and an export income shortfall due to lower oil prices.

"We're very pleased; it's a first in many respects," a senior economic official of Mexico said in Washington of the new loans, the bulk of which was tentatively approved last month.

The loans embody most of the features of Treasury Secretary Nicholas F. Brady's new prescription for curing the developing countries' debt burden, one based on cutting the debt and the payments that countries make.

Consistent with the Brady proposal, the IMF will permit Mexico to have $861 million of the money immediately rather than wait until a new loan arrangement is completed with its foreign commercial banks.

"I welcome the actions taken by the IMF this week as a major step forward in implementing the strengthened international debt strategy," Mr. Brady said in a statement Friday.

Mexico will be allowed to use up to 30 percent of the 2.8 billion SDR loan to reduce debt to the banks.

Beyond these two loans, the IMF said it would permit Mexico to borrow up to 40 percent of its $1.47 billion of capital in the fund for the reduction of debt service payments to banks. *(NYT, UPI)*

Dollar Boosts U.S. Treasury Bonds

Compiled by Our Staff From Dispatches

NEW YORK — The U.S. bond market closed on a firm note Friday, helping long-term Treasury issues to gain as much as one point for the week.

The Treasury's bellwether 30-year bond, the 8⅜ percent issue of

U.S. CREDIT MARKETS

2019, closed the week at 102 24/32 to yield 8.61 percent, up from 101 24/32 to yield 8.71 percent the previous week.

Analysts said that the bond market followed the dollar's movements closely last week, dipping on Thursday and early Friday when the U.S. currency swooned but rallying late Friday when the dollar bounded back despite intense selling pressure from most major central banks.

"After being depressed at the opening because of a weaker dollar, the fixed-income market then bounced back with the dollar," said Peter J. Greenbaum, economist at Smith Barney, Harris Upham & Co., referring to developments on Friday.

Mr. Greenbaum added that the market was buoyed on Friday when the U.S. Federal Reserve did not drain reserves from the banking system as expected — a sign some analysts said may mean the central bank is prepared to allow interest rates to decline slightly.

The Fed had been expected to drain money from the banking system to absorb some of the large amount of dollars is has been selling to try to stem the currency's rise.

The federal funds rate, which banks charge each other for overnight loans, closed Friday at 9 11/16 percent, down slightly from 9¾ percent earlier in the week.

But some analysts disputed the notion that the Fed has eased credit at all, noting that the firm dollar was at least partly due to the belief in the currency markets that U.S. monetary policy would hold to a steady course.

"Despite reported suggestions that the Federal Reserve might ease, its open-market operations strongly conveyed a stable posture," Salomon Brothers Inc. analysts wrote in their weekly "Comments on Credit."

"Combined with another round of economic data showing slowing growth with a favorable mix between overall output and domestic spending, the Fed's stance continues to buoy the dollar and U.S. financial markets," the Salomon analysts said.

Among other credit market developments last week, the U.S. Treasury auctioned two-year and five-year notes at average yields of 8.84 percent and 8.72 percent, respectively.

Corporate bonds outperformed both mortgage-backed securities and Treasury issues for the week, Salomon said, but for the month to date, mortgage issues were the best-performing sector.

About $2 billion of new investment-grade corporate issues came to market last week, Salomon Brothers said.

In the municipal market, yields were down by about 10 basis points. *(UPI, NYT)*

Treasury Bonds

May 26

Maturity	Close Bid	Close Ask	Yield	Wk.-ago yield
31.05.91	99 24/32	99 26/32	8.87	8.92
15.05.92	100 11/32	100 13/32	8.85	8.88
31.03.93	102 19/32	102 21/32	8.80	8.83
15.08.94	99 17/32	99 19/32	8.73	8.82
15.04.96	103 14/32	103 16/32	8.69	8.74
15.05.99	103 4/32	103 6/32	8.64	8.70
15.02.06	106 2/32	106 4/32	8.68	8.73
15.02.19	102 23/32	102 25/32	8.61	8.71

Source: Salomon Inc.

U.S. Consumer Rates

May 26

Tax Exempt Bonds — Bond Buyer 20-Bond Index	7.11 %
Money Market Funds — Donoghue's 7-Day Average	9.56 %
Bank Money Market Accounts — Bank Rate Monitor Index	6.42 %
Home Mortgage, FHLB average	10.50 %

Source: New York Times.

Euromarts At a Glance

	May 24	May 17
U.S. $, 8 yrs & over	9.62	9.76
U.S. $, 5 to 7 yrs	9.60	9.73
U.S. $, less than 5 yrs	9.80	9.66
Pounds sterling, less than 5 yrs	11.97	11.81
French francs, less than 5 yrs	8.79	8.68
Ital. lire, less than 5 yrs	11.47	11.44
Danish kroner, less than 5 yrs	9.75	9.70
ECU, 8 yrs & over	8.82	8.84
ECU, 5 to 7 yrs	8.79	8.76
Can. $, less than 5 yrs	11.13	10.86
Aus. $, less than 5 yrs	15.72	15.50
N.Z. $, less than 5 yrs	14.04	13.91
Yen, 5 to 7 yrs	5.31	5.30
Yen, less than 5 yrs	5.20	5.20

Source: Luxembourg Stock Exchange.

Weekly Sales

May 26

Primary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	57.80	315.20	1,309.20	565.90
Convert.	—	—	—	—
FRNs	—	—	10.02	—
ECP	2,807.50	248.50	8,460.80	909.90
Total	2,865.30	563.70	9,780.02	1,475.80

Secondary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	5,141.60	6,036.90	23,987.50	7,835.70
Convert.	202.20	547.00	8.10	407.10
FRNs	1,197.50	855.10	5,590.40	—
ECP	2,675.00	992.00	3,309.10	940.80
Total	9,216.30	8,431.00	32,895.10	9,183.60

Source: Euroclear, Cedel.

Libor Rates

May 26

	1-month	3-month	6-month
U.S. $	9⅝	9⅝	9 11/16
Deutsche mark	6 15/16	7⅛	7½
Pound sterling	13 13/16	13⅞	13⅞
French franc	8 15/16	9 1/16	9 3/16
ECU	8¾	9⅛	9½
Yen	5¼	5⅜	5 5/16

Source: Morgan Guaranty, Lloyds Bank, Reuters.

EUROBONDS: *Currency Rise Boosts Dollar Issues*

(Continued from first finance page)

past opportunities and anticipated external trends." It cited the country's "high and growing level of foreign-currency debt" and the exposure to exchange- and interest-rate movements that could increase the cost to service those borrowings.

The possible downgrading would also affect the rating of the state governments, since the central government's rating sets the ceiling for all entities subject to its authority. In all, $30.8 billion of outstanding debt would be affected by the agency's move.

One of last week's issues likely to be affected by this was the $200 million of variable-rate perpetual notes offered by the State Bank of Victoria and guaranteed by the State of Victoria.

The notes are designed to count as Tier 1 capital under the new international guidelines on capital adequacy. As in previous issues for Australian state-owned banks, it is presumed that the state government stands ready to inject capital into the bank if the perpetuals are put, or sold, back to the underwriter and cannot be resold.

Under the variable-rate formula, the coupon on the notes is reset every quarter, and the initial rate is ⅜ percentage point over the London interbank offered rate.

Underwriters Merrill Lynch & Co. and the State Bank each quarter must decide on what the new coupon level should be. If they fail to agree on a rate, the coupon automatically is fixed at ⅞ percentage point over Libor during the first 10 years and 1⅛ points over Libor thereafter.

On any coupon refixing, holders have the option to sell their notes back to Merrill Lynch — providing that the proposed coupon is below the maximum rate.

Critics of this formula argue that the investors' ability to unload the notes is more apparent than real. If the bank gets into trouble and investors want out, critics say that is exactly the time when the maximum rate is likely to prevail, relieving Merrill Lynch of the obligation to repurchase the notes.

In the fixed-rate sector, there were relatively few Eurodollar bonds because not many borrowers are willing to lock in costs when rates may be about to decline and because unattractive swap rates made it impossible to achieve substantial below-Libor floating-rate funds.

The exceptions taking fixed funds were General Electric Capital Corp. and Austria, which were well received, and AB Electrolux, whose paper was shunned because investors considered the terms unattractive.

The remaining fixed-coupon dollar bonds were special situations offering very high coupons — 16 percent on Rhône Poulenc Commercial Finance — but with repayment linked to currency rates or, as in the case of Union Bank of Finland, the price of crude oil, value changes of which could erase the benefits of the high yields. In most cases, these small issues were preplaced with pockets of investors willing to take the gambles.

The equity-linked market appears to be showing signs of saturation with two jumbo $1.5 billion issues from Mitsubishi Heavy Industries Ltd. and Toyota Motor Corp. and large issues of $1 billion from Nippondenso Co. and $800 million from Daiwa House Industry Co.

Toyota set a coupon of 4 percent, down from the 4⅜ percent that had been indicated, and the paper ended the week trading just over par — a far cry from the big premiums that used to be seen in this sector. Mitsubishi, which also indicated a coupon of 4⅜ percent, is likewise expected to cut its coupon to 4 percent when final terms are set this week.

Bankers reported very thin demand for nondollar bonds. There was a relatively heavy volume of paper denominated in European currency units, and although terms were deemed to be fair, the paper moved slowly. Dealers said the supply, driven by attractive swap opportunities for the issuers, is running well ahead of investor demand.

Neither the 250 million-guilder issue for the Soviet Vnesheconombank or the 200 million DM issue for National Bank of Hungary attracted much investor interest, dealers said.

Tiny Group of Shareholders Upsets Nestlé Financial Plans

Reuters

ZURICH — A small group of dissident shareholders in the Swiss food giant Nestlé SA has blocked a decision to change the company bylaws and raise 800 million Swiss francs ($465.8 million).

A company spokesman, François-Xavier Perroud, said on Friday that the group, Convention d'actionnaires de Nestlé, had blocked the action to improve finances that was accepted at Thursday's shareholder meeting by going to the registrar of companies in Vevey, where Nestlé is based. The registrar agreed to give the dissidents time to take their complaints to court.

For weeks, the Lausanne-based dissidents, who represent about 200 shareholders and 0.2 percent of company capital, have deluged the press with criticism of the proposed amendments on the grounds that they would diminish shareholder rights and give the company too much protection against takeover.

In particular, the dissident group has opposed a proposal to limit the number of shares and voting rights that can be held by any one person or legal entity to 3 percent of the total. Nestlé announced a plan to limit individual shareholdings last year, when it made a surprise decision to ease restrictions on foreign ownership by letting non-Swiss buy registered shares for the first time.

The company's chief executive, Helmut Maucher, has said, "It is the financial raiders we want to protect ourselves against."

The dissidents' action also blocked Nestlé's 800 million Swiss franc rights issue. The proceeds of the stock sale to existing investors are to help reduce the company's debt, which was boosted last year by the acquisitions of the British candy maker Rowntree PLC and the Italian food concern Buitoni SpA.

TRANS EUROPE FUND N.V.
Amsterdam

In accordance with the decision of the Annual General Meeting of shareholders held on Wednesday 24 May 1989, the dividend for Financial year 1988 is fixed at Fl. 1,00 per share of nominal Fl. 25,00 each.

The dividend will be paid as from 02 June 1989 at the office of Algemene Bank Nederland N.V., Amsterdam or at Banque de Neuflize, Schlumberger, Mallet, Paris.

Holders of CF-shares will receive their dividend through the intermediary of the institutions where the dividend sheets were in custody on May 24, 1989 at office closing time.

At this General Meeting of Shareholders Dr. Th. Beels, General Manager of Algemene Bank Nederland N.V. and Mr. J.L. Milin, Member of the Managing Board of Bank de Neuflize, Schlumberger, Mallet S.A., were appointed Members of the Supervisory Board.

Amsterdam, 24 May 1989.

ABN-de Neuflize International Investment Advisory Company B.V.
(Managing director)

NASDAQ National Market

OTC Consolidated trading for week ended Friday. May 26

	Sales in 100s	High	Low	Close	Net Ch'ge
A					
ASW Bd		6165	26¼	26	26 — ½
ABS s	32 4.3	930	8	7⅝	7⅝ — ⅛
ABQ	91	2⅛	1⅞	2	— ⅛
ACC Co	.07e 1.7	159	4⅜	4	4½ — ⅛
ADC		2341	15½	14¼	14⅜ + ⅛
ADT		13448	30	28¼	29½ + ⅛
AEL		420	7⅜	7⅜	7⅜ + ⅛
AEP		1807	17	16¼	16½ + ½
AIM Tel		167	3⅜	3⅛	3⅜ + ⅛
AIRCOA		3	3	3	
ALCh		4630	4¾	4⅜	4⅜ + ⅛
AME		174	10¼	9¾	10 + ¼
ASK		5986	15⅝	14	15⅜ +1
AST		2164	8¼	7¼	7⅝ — ⅛
AamRt	.10 .9	102	11⅛	11	11 — ⅛
AbingB	.32 3.2	61280		9¼	10 + ½
AbelInc		215	16	15⅜	16
Abrams	.24 4.0	257	6¼	6	6 + ½
Acadin		3314	1⅞	1⅞	1⅞ — ⅛
Accel	t	4375	7½	6¾	6¾ — ⅞
Acceptin		164	16¼	16	16
Acela	.14b .9	142	15¼	15	15⅛ + ⅛
ACMT		10	9	9	9 +1
AcmeSt	.05e .2	500	23½	22¼	23
AcmeRI s		2252	21¼	21	21¾ — ⅛
AcmeSv	.32e 2.6	933	12¼	11	12¼ +1 ⅛
ActAuSt		103	5	4⅝	4¾ + ⅛
Actmed		557	14½	14¼	14⅜
Acxiom		535	16⅛	15⅝	16 + ⅜
AdacLb	.16 .32	26220	5⅞	5¾	5¾ — ⅛
Adage		1207	1⅞	1⅝	1 + ⅛
Adapt		8873	10⅝	9	10¼ +1⅛
Adingtn		3343	19¾	19¼	19⅜
AdioSv	.14 .4	1774	8¾	22	22¾ + ½
AdioSes	.09f .3	11270	31	27½	28¾
Adtec		93	3⅜	3⅜	3⅜ + ⅛
AdvCir		2531	5⅜	4⅜	5½ + ⅜
AdvRos		126	12¼	11¼	12⅛ +1
AdvCel		127	2¼	1¾	1¾ — ⅛
AdvMos		441	12½	11¾	12
AdMkSv		2998	16⅜	15	16¼ +1
AdvPolv		986	6¾	6¼	7¼ — ½
AdvSem		1975	9¾	9¼	9¼ — ⅛
AdvTel		3678	18¾	17¾	18½ + ⅛
Advanta		4170	9½	7¾	7⅝ —1⅛
Advnt		462	3⅜	3	3 — ⅛
AdvCo wt		300	1⅛	⅞	⅞
AdvcoSy		2822	8¼	7¼	7⅝ — ⅛
Aequitm		860	4¼	4	4
Aeson	1.68e 4.0	37	42⅜	40½	42½
AerSys1		457	7⅜	7¼	7¼ + ⅛
AfBcCp	.32 4.2	1090	8¼	7¾	7¾
AfBsh		1263	13¾	13¾	13¾ — ⅛
AgncyR	t	14822	22⅜	19	21¼ +1⅛
AgriGn s	.20 2.4	496	8¼	8	8¼ + ⅛
Agsurn		409	14½	13½	13½ — ⅛
AirMd		3615	5⅝	5	5⅛ + ⅛
AirWisc	t	4026	42½	21¼	12⅜
AirInd		1	2	2	2
Airlron	.12 1.7	225	7¼	6⅞	6⅞
Akorn	.06e 1.3	2856	x	4¾	4¾
Akzo	1.87e 13.4	3229	33¾	32⅞	33⅝ — ⅛
Alcoln	1.10 7.7	172	14¼	13¾	14¼ + ⅛
AlcoHlt		448	25¼	24⅜	25¼ +1⅛
Aldus		5757	26⅜	25⅛	26⅛ — ⅛
AlexBr	.16 1.4	2011	12¾	11¾	12¾ + ⅛
AlexBis	.80 2.1	3126	38	37	37⅜ + ⅛
AlloCp	.36 3.1	140	11⅜	11¼	11⅜
Alloo	.20 .5	166	37⅜	36½	37½
Allm s		433	5⅜	5	5 — ⅛
AllCity		143	5	4⅞	5 + ⅛
AlegW		857	8¾	8⅛	8⅛ — ⅛
AlmOrg	.32e 1.0	321	33	31¾	32
AlfFnl	1.00 2.7	164	37½	36¾	36½
AlfanPh		1229	14⅜	13⅝	14
AlnPh wt		185	5¼	4½	5⅛ + ⅛
Alliant		6022	5¾	5	5⅜ + ⅛
AllBk s	.20 2.2	612	11	9	10¾ +1
AlldCo s	.92a 5.1	3997	18	16⅝	18 + ⅛
AlldRsh		286	3	2¾	2¾ — ⅛
AlovCpt		284	25	24	24 — ⅛
Allwast		5988	19¾	18⅜	19¼ + ⅛
AlpaTle	.15e 1.3	405	11¾	11⅜	11⅝ — ⅛
AlphaRI		475	13¾	13¼	13⅜
AlpMic		725	7¾	7⅜	7¾ — ⅛
Altai		2	3	3	
Altera		5324	8¾	8¼	8¾ + ⅛
Altus		485	4¾	3¾	4¾ + ⅛
Altos		1476	7¼	6¾	6¾ + ⅛
Altron		15	4⅝	4⅝	4⅝ — ⅛
AmbFn		19	1¼	1¼	1¼
Amcor	.50 3.9	2274	17	16½	16⅝ — ⅛
Amrian	.37 3.5	199	10½	10	10½ + ⅛
Amerbc	.22 1.8	84	12¼	11½	12¼
AFFMtz	1.51e 17.0	907	8¾	8¾	8¾
AmFPr	1.40 10.5	47916		15¾	15¾ — ⅛
AFTxE	1.70 10.6	67884	16	15¾	16 + ⅛
AFTxE2	1.28e 9.0	49085		14	14¼ — ⅛
AWAIri		9976	11¾	10⅝	11¾ + ⅛
AmBakr	.50 4.8	944	10½	10	10½ + ⅛
ACapac	.20 1.9	5	10¾	10¾	10¾ — ⅛
viACar		2560	1⅛	1⅛	
AmCity		1159	16⅛	15	15⅞ — ⅛
ACoked s	.44 2.9	38	15	14¾	15
ACorsu		65	9¼	9¼	9¼ — ⅛
AmEcol		395	10	9¼	9¾
AFSvDu	.10e .9	57	11½	11	11
AFilm	.80 3.0	27	27	27	27
AGreel	.66 2.7	3241	25¾	24¾	24⅞ — ⅛
AHllSv		835	4	3¼	3½ — ⅛
AHSld		8535	9¾	9½	9¾ — ⅛
AindF	.56 4.4	113	13¾	12¾	12¾ + ⅛
AIMM	1.52e 9.4	142	16½	16	16 — ⅛
AIM 85	.48e 3.4	2222	14¼	14	14¼
AmInte		2226	4¾	4¾	4⅝ — ⅛
AmLck	2.00c	1	5½	5½	5½ + ⅛
AMagnt		63	4¾	4½	4¾
AMS		2570	15⅜	14⅝	15¼ + ⅛
AMedEs		70	6¾	6	6¾ + ⅛
AMidl	t	221			
AmIns	1.48 3.9	625	38	35½	37½ +1⅝
AmJIC		75	⅞	⅞	⅞
AmNurs		578	2⅞	2¾	2¾ — ⅛
AmPac		3953	11¾	9¾	10⅝ +1⅛
APhyG		71	3¼	3	3¼ + ⅛
AmPion		45	3⅜	3	3⅜ + ⅛
APwCv		3522	22	19¾	21⅞ — ⅛
ARelian	.32 3.7	98	8¾	8¼	8¾ — ⅛
AReplBc	t	36	7½	7¼	7⅜ — ⅛
AmRice		795	2¾	2½	2½ + ⅛
ASLFl pf	2.19 13.8	20	16	16	16 — ⅛
ASwHA	.20 .7	549	27¾	27	27½ + ⅛
ASoft s	.28 1.8	1991	16⅜	15¾	16 — ⅛
AmSti		433	8	7¾	7¾
ATyCm		7657	48⅛	45¾	47¾ +1½
AmTrav		119	8¾	8¼	7¾ — ⅛
AVnd s	.04f .5	22	8	7¾	8
AWstCp	.10r 1.2	1227	8¾	8¼	8⅜ + ⅛
AWood	t	24	12	11¾	12 + ⅛
AmFBk		3221	10	9¾	10⅛ + ⅛
Amerlir	1.28 5.2	2520	24¾	24¾	24½ + ⅛
Amerrk		180	1⅜	1⅜	1⅜ + ⅛
Amgen		11578	40¼	36½	38⅝ + ½
AmlyBc	.20 2.1	77	x9¼	9¾	9¾ + ⅛
AmlnBk	.68 7.5	48	9	9	9 + ⅛
Amoskg	.60a 2.4	208	25¼	23½	25½ +2
Amoicn		252	14½	12¾	13 —1⅛
Amserv	t	83	5¼	5	
Amvst s	.20 2.9	1722	7¾	6¾	7 + ⅛
Amoicr		598	10¾	10	10¾ + ⅛
AnalyTc	.15 1.0	239	15¼	14⅜	15¼ + ⅛
Analytn	.48 2.5	1039	19	18⅛	19 + ⅛
Anangel	.50a 2.8	1265	18¾	17¾	18 — ⅛
Anaren		446	6	5¾	5¾ — ⅛
AnchSv		2298	4¾	3¾	4¾ + ⅛
AndrGr		182	9¾	8¾	8¾ — ⅛
Andovr		4209	13¾	12½	13
AndvBcl	.80 4.9	1107	16¾	16	16¼ + ⅛
AndvTg		80	4¾	4¾	4¾
Andrew		2706	20½	20	20½ + ⅛
Andros		1123	9¾	9	9 — ⅛
AngelEn	.20 1.3	4301	15¼	14¾	15¼
AnkSys	.40 .8	8437	49	45¾	48½ +2¾
ABiosci		2253	26⅜	26	26½
AsiaBio		5576	38½	36½	36¾ —1⅛
AsiaInt		3275	31¾	29½	29½ — ⅛
AsiaPw	.20 .5	1420	39	37	39
AsiaStr		1521	11	10¼	10½ — ⅛
ArabSh		186	3¾	3½	3⅝ — ⅛
Archive		7465	13¾	11¾	12½ + ⅛
Arbor	.20 .9	1140	24¾	22½	23½ — ⅛
Arden		3855		5½	5¾ +2½
ArgoGo		6175	14¾	14¼	14¼
Arltch		1437	15½	14¾	15⅛ + ⅛
ARIX		10035	5¾	5¼	5¼ — ⅛
Arizinst		1958	8½	7⅝	8½ + ⅛
ArkaFl		224	15	14½	14½
Armor	.44 2.9	1184	22¾	21¾	21¾ — ⅛
Armos s	1.68 8.6	856	20¾	19½	19½ — ⅛
ArowBk	.54b 3.7	67	17½	16¾	17¾ +1½
Artel		4274	6¾	4⅝	6¾ +1⅛
ArtWay	.20a 1.5	1125	13¾	11½	13⅜ +1½
Ashton		20033	22¼	21¾	22¼ + ⅜
Aslamr	t	1062	9¾	9½	9⅝
AspenR		197	3¾	3¾	3¾ — ⅛
Assix		723	7½	6⅝	7 — ⅛
Assix wt		218	2½	2⅛	2⅛ — ⅛
AstBnc	.64 3.5	319	18¼	17½	18¼ + ⅛
AsCmA s		459	38¼	37¼	37¾ — ⅛
AsCmB s		774	38¼	37¼	37¾ — ⅛
AsdNG		4352	15	14¾	14¾ — ⅛
Astec		121	16½	16	16¼
AstrMs		636	10⅜	10⅛	10½ — ⅛
Astrom		111	1⅜	1¼	1⅜
Astron s	.07 2.8	58	2¾	2¾	2¾
Astrosy		411	5	4⅝	4⅝ — ⅛
Atek		378	7¼	6⅞	7¼ + ⅛
Athey	.10r .9	105	11½	11	11½ + ⅛
AtlcoF	.20 1.3	2436	16	15½	16
Atkinsn	.48 3.1	2955	16	15½	15½ + ⅛
Atlntid	.40 4.0	56	10	9¾	10 + ⅛
AtlAm		177	3¾	3	3¼ + ⅛
AtlnBc	.40 4.0	10	10		10 + ⅛
AtlFin	.07f	2436	1¾	1¼	1¾
AtlFpf	1.85 33.6	541	5½	5½	5½ — ⅛
AtlSoAr		3472	14	13	13¾ — ⅛
Atwood	.74e 2.1	415	36¾	34¾	35½ — ⅛
AtwdOc		3	15½	15½	15½ — ⅛
AutTrT		663	5¼	4¾	4¾ — ⅛
Autoctv	.20 1.7	217	11¾	11¼	11½ — ⅛
Autodsk		5416	39½	37¾	38¾ — ⅛
Autoinl		1031	2¾	1¾	2¼ + ⅛
AutLne		162	3¾	3¾	3¾ — ⅛
AutoSy		111	3¾	3¾	3¾ — ⅛
AutoCp		223	2¾	8	8½ + ⅛
Avnlek		2497	5¼	4⅜	5 — ⅛
Avatar		310	29½	27¾	28½ —1
Avrry		5430	1¼	⅝	1⅛ + ⅛
Avndle	.92 4.6	1090	20¼	19¾	20 + ⅛
AztcM	.10 2.4	62	4¾	4¼	4¼
B					
BB&T s	.72 3.4	5558	19¾	19¼	19¾ + ⅛
BH Bulk	10.25e 62.7	1892	16⅜	15⅝	16½ — ⅜
BEI	.24 6.0	709	4	4	4
BF Enl		52	9¾	9¼	9¼ — ½
BFS NY		129	10⅝	10½	10½ + ⅛
BGS	.40a 3.2	91	12¾	12¾	12¾ + ⅛
BHA s		1082	14¼	11¾	13¾
BHA B s		569	14	12¼	13¾
BMA	1.20 3.6	730	4¼	3¾	3⅞ +⅛
BMC Sft		3719	21¾	20½	20¾ — ⅛
BMJ	.56 3.2	168	18	16¾	17¾
BMR Fn		119	9	8½	8½ + ⅛
BNH	.24 2.5	257	9¾	9¼	9½
BR Intec		3076	15⅜	14¾	14⅞ + ⅛
BSB Bcp	.48 2.4	516	16⅜	16½	16½ +⅛
BT Fin	.76 5.2	160	14¾	13¾	14¾ +1⅛
BTR	.08 1.1	55	7	6¾	7 + ⅛
BTU Int		1721	5½	5	5⅛
Babbage		671	15½	14¾	15⅜ — ⅛
Badgers	.44 1.7	38	26	25	25½ +2
Bailey		238	3	2¾	3
BakerJ	.06 .4	1321	14½	16	16½ + ⅛
Baldwn	.03 .6	72	5	4½	5 + ⅛
BaldLy	.20 1.1	77	21½	17¾	18½ + ⅛
BaldLyB	.20 1.1	22	17¾	17¾	17¾ + ⅛
BaldPla		75	10¼	9¾	10 + ⅛
Balard s		1065	20¼	18¾	20¼ +1⅛
Baltek	.15 .8	200	18¼	16¾	17¾ + ⅛
BncPac	1.20 5.6	299	22¾	20½	22 — ⅛
BnPop s	.80 4.1	120	19½	19¼	19½
BcpNY s	1.36 2.7	738	50½	49¾	50 + ½
BcMiss	.76 3.4	117	22½	22½	22½
BcpNJ	.40 3.1	469	13¾	13¾	13
Banctec		1520	13¾	12⅝	13 + ⅛
BandoM	.48 9.4	146	5¼	5	5⅛ — ⅛
BangH	1.16 7.5	725	15¾	14¾	15⅜ +1⅛
BankAtl	1.00a 10.8	181	9¼	9¼	9¼ — ⅛
BkGran	.40 1.8	2	22½	22½	22½ +1
Bn&NH	.92 4.8	61	23¼	22¾	23¾ + ⅛
BkSou	.48 2.7	1852	13	12¾	13 + ⅛
BnkEast	.48 8.5	1003	6	5¾	5¾ — ⅛
BnkFst	.07e .8	145	8¼	7¾	8¼ +1
BkrNte		805	3¾	2	2¾ + ⅛
Banknth	1.72 5.5	1892	32¼	31½	31½ — ⅜
Bklawa	1.90 7.4	178	72	68	71 +2
BkMA s		94	9¾	9½	9¾
BkWorc	1.00 5.7	3653	17¾	16¾	17¾ + ⅛
Banta	.52 2.3	1845	22½	21¾	22¼
Barden	1.00b 2.6	8268	39	37	39 — ½
BarelRs		146	5¾	4¾	5 + ⅛
BarrIs		2172	10¾	10¼	10⅝ + ⅛
BarryJ s		291	14½	13¾	14 — ⅛
BsTnA		1337	5¾	4⅞	5¾ + ⅛
BasAm		165	4½	4	4
BsRint		564		⅛	
BseFt	1.00 2.8	2561	36¼	35	35¾ + ½
BayVw	.15r .7	1133	21½	20½	21¼ — ⅛
BayBks	1.80 4.0	1632	45½	44¾	45½ + ⅛
Bayly		1400	3¾	3¼	3¾ +1⅛
BeautIC	.05e .2	1228	21	18¾	20⅞ + ⅛
BeautL		7239	4¾	4	4⅜ — ⅛
Beebas	.20r 1.6	500	12¾	12	12½ — ⅛
Bechm s	.50b 2.8	11202	20¾	20	20¾ — ⅛
BelFuse		887	5¾	5¼	5½
BellW		417	5⅝	5	5 — ⅛
BellvSv		417	9¾	9¾	9¾ + ⅛
Belmnt		139	¾	¾	¾ — ⅛
BenJer		231	14¼	15¼	16 + ⅛
Benhan		309	3⅜	3¼	3⅜
BenjSv		350	5	4¾	4⅞ + ⅛
Berkley	.40 1.3	2977	31¾	31	31 — ⅛
BerkGs	1.28 8.1	75	17	15¾	15¾ — ½
BethlBc	.16e 1.3	2	14½	14½	14½ — ⅛
BetzLb	1.68 3.8	1276	45½	44	45½ +1¼
Big B	.16 1.4	819	11¾	10⅜	11⅛
Bindly		303	8¼	8	8 — ½
BingKg		81	3⅜	3¼	3¼ — ⅛
Biogn wt		150	3¼	3¼	3¼ — ⅛
BioLog		3523	5¾	4¾	5¾ + ⅛
BioMedc		2176	16¼	14⅜	16 +1
Biogen		9608	14⅜	13¾	14⅜ + ⅛
Biomet s		8011	34	32	33½ +1⅜
Biosph		148	4½	4	4 — ⅛
BiotcR		384	6	4½	4½ — ⅛
BioTint		1026	3¼	2⅝	3 — ⅛
BirdInc		2294	11¼	11	11
Birfchr		46	2⅞	2⅜	2⅜
Blacki	.03 .3	34	10¼	10	10¼ + ⅛
Blau		38	4¼	4¼	4¼ + ⅛
BlisLau		118	7¼		7¼ — ⅛
BlckD	.64b 1.8	311	35¼	34	35¼ + ⅛
BlkBx un		5	19½	19½	19⅜ —1½
BoatBn	2.00 5.7	4412	36¼	34⅞	35¾ — ⅛
BobEvn	.28 1.7	2389	16	15¾	15¾ — ⅛
Boisen		70	9¼	9¼	9¼
Bohema	.20b 1.2	5358	18	16¾	17¼ — ⅛
BomlP		2014	11	9¾	10¾ +1
Booleb		1024	20	19¾	20 + ⅛
BoonEl		20	4½	4¾	4¾ — ⅛
BostAc		203	18	17½	17½ — ⅛
BostBc	.60 3.9	17794	15⅝	15	15¼ + ⅛
BstnDig		175	3¾	3¾	3¾ + ⅛
BstnFn pf	.72 4.8	1133	15¼	14⅞	15¼ + ⅛
BlvdBc	.48 2.0	1438	24½	23½	23½ — ⅛
BradRE	.68 4.9	38	14¼	13¾	13¾ —1½
BradyW	.28 1.1	86	26	24¾	26 +2
Brancn		730	4¼	3¾	3¾ + ⅛
Brantre	.36 2.7	110	13¾	13½	13½ — ⅛
Braids		72	5¼	5	5⅛ — ⅛
Brand		1384	21	19¾	20¾ + ⅛
Brandyn	.12 1.1	648	11¼	10⅝	11 — ⅛
Brndy	.20b 1.0	192	21¼	20½	20¾ — ⅛
BrndSv	.60 4.4	277	14¼	13½	13½ — ⅛
Brkwfs	.10e	1029	2½	2⅜	2½ + ⅛
Brenco	.20 2.5	2727	8¼	8	8⅛ + ⅛
Brentw		194	4¼	3¾	4 — ⅛
BrdgFs	.20 1.0	51	20¼	18¾	20¼ + ⅛
BdwyFn	.48 3.5	58	13¾	13¾	13¾ — ⅛
BrkHrb	.40 5.0	8	8	8	8
BrnRb		614	5⅝	5½	5⅝ — ⅛
BrTom s		332	6⅝	6¼	6¼ — ⅛
BwnTm		184	5¼	5	5⅛ — ⅛
Brunos	.12 1.0	8937	12¼	11¾	12¼ + ⅛
BrynMw	1.40 4.7	1	29¾	29¾	29¾ — ⅛
BckvFn		109	6½	6	6 — ½
Buffet		1071	7	6¾	6¾ — ⅛
BullsT		413	10¾	10¼	10 — ⅛
BulBear		48	4¾	4¼	4½
BullRGd		522	1⅝	1⅜	1⅜
BurnsS		2127	22¼	20½	21⅞
BurrBr		813	23¼	23	23¼ + ⅛
Burrfl		133	21½	21	21
BsfIrMl	1.40 3.6	228	40¼	39¼	39¼ —1
Bytex		2070	9¾	9¼	9¼ + ⅛
C					
CB T s	.24 2.1	664	16	14¾	15⅝ +1⅛
CB&T F	.60 3.9	20	16	15½	15½ — ½
CCA		788	⅞	⅞	⅞
CCBI s	1.36 3.5	68	39	39	39
CCOR s		2326	14½	13	14⅛ +1⅛
CCNB	.68 3.5	4884	19½	18¾	19½ + ⅛
CEMIs		965	11¾	11	11¾ + ⅛
CFI Sf		135	4	3	3⅝ — ⅛
CFS		164	14	13	13¾ + ⅛
CIS Tch		843	1⅜	1¼	1⅜ + ⅛
CKF FSv	.40 2.6	242	15½	15½	15½ — ⅛
CMS En		3862	4¾	3¾	3¾ — ⅛
CNB	.84b 3.9	54	21½	21¼	21½
CNL Fn	.24 5.3	1	4½	4½	4½
CPAC		5442	7¾	6¾	7¼ + ⅛
CPB s		838	22½	21¾	22¾ + ⅛
CPS Rx		25	6¾		6¾ — ⅛
CPT		412	⅜	⅜	⅜
CSC Ind		401	2¼	1⅞	2
CSS		58	6¾	6½	6½ + ⅛
CTEC	.92 4.5	6778	20½	19¾	20½
CUC Int		26035	18¾	17¼	18 +1
CVB Fn s		69	26	23½	25½ + ½
CVN		3397	14¾	13¼	14½ + ⅛
CabatM		370	2¾	2¾	2¾ — ⅛
Cache		1957	7¾	7¼	7¾ + ⅛
CACI		594	2¾	2	2⅛ — ⅛
CdbvS	1.81e 3.2	2401	59¼	55¾	57 —4⅛
Cadelin		1139		3¾	3¾
Cadence		6459	18¼	16¾	17¾ — ⅜
Cadmus	.20 1.9	711	10½	10	10½ + ⅛
Cadnix		8682	7¾	7¾	7¾ — ⅛
CalRep	.40b 1.7	5483	½	23½	23½ + ⅛
Calcene		1962	7¾	6¾	6¾ — ⅛
Calgene s	.20 .6	2470	34	33	33 — ⅛
CalAmp		453	1⅛	⅝	1 + ⅛
CalBio		2531	5¼	5¼	5½ — ⅛
CalFnci	.40 4.7	121	9	8½	8½
CalMD		147	3¼	2⅞	3 — ⅛
CalMic		2186	7¾	7¼	7¼ — ⅛
CalSBk s		36	18½	17½	17½ — ⅛
CalWir	1.68 4.9	277	36¼	34	34½ — ⅛
Calton	.40a 12.8	254	3¼	2⅞	3¼ + ⅛
Calumt	1.0	119	7¾	7¾	7¾
Cambrx		736	16¼	15½	15⅞ — ½
CambBS		4297	11¾	10¾	11 — ½
Cambin		42	8¾	8½	8½ + ⅛
Camph	.40 2.9	459	14¾	13¾	13¾ — ⅛
CamR		40	3¾	3¾	3¾
Candla		623	6	5¾	5¾ — ⅛
CanoEx		202	6¾	6¾	6¾
Canoni	.41e .7	176	63½	62	63 — ⅛
CanonIe		1399	21¼	20¾	21 — ⅛
Cantel		77	5¼	5	5
CapBT	1.40 4.2	134	33	31	33 +1
CapCtyC		1	2¾	2¾	2¾
CapMed		1	2¾	2¾	2¾
CapSft		1	2¾	2¾	2¾
CapSuth		1	2¾	2¾	2¾
CapSurf		1	2¾	2¾	2¾
CapSwth		1	2¾	2¾	2¾
CapCapit		3094	¾	¾	¾
CarpDi		358	5⅜	5¼	5¼ — ⅛
CarpSth		967	14¾	14	14¾ — ⅛
CascCp		142	7¼	7¼	7¼
CascCo		145	2¾	2¾	2¾
Castor s		30	15¾	14¾	15¾
Castle		7817	24¾	23¾	24½
CatlSv	.45e 4.6	30	16¼	15¾	16¼ — ⅛
CtlSLf	.24 3.4	25	7¼	6¾	7¼ + ⅛
CtryLk		451	11½	10¾	11 — ⅛
CtryTms		1093	4¾	4¼	4¾ + ⅛
CountryS		159	3¼	3¼	3¼ — ⅛
Courier	.40 2.2	118	18	17½	18 + ⅛
CourDis		44	4¾	4¾	4¾ — ⅛
CousPr	.60a 2.9	715	20¾	20	20½ + ⅛
Covngt

Tentative Pact Reached by AT&T, Unions

Reuters

WASHINGTON — American Telephone & Telegraph Co. and its major unions tentatively agreed on a new working contract only minutes before a weekend strike deadline.

But spokesmen for the largest U.S. long-distance telephone company and unions said all details were not worked out and they were extending the contract so that negotiations could continue through the weekend.

The tentative agreement reached late Saturday covers 135,000 members of the Communications Workers of America and 40,000 members of the International Brotherhood of Electrical Workers.

The spokesmen said all national issues had been been resolved and all that remained were disagreements over working conditions in some local AT&T regions.

Herb Lennen, director of media relations for AT&T, said, "There are some matters that still have to be cleared up, but we are optimistic that we can get the i's dotted and the t's crossed."

OECD: *Emphasis for Meeting Shifts to Trade, Ecology*

(Continued from first finance page) the subject has moved up on the political agenda because everyone is for clean air and water.

The OECD sees itself as uniquely placed to analyze the economic aspects of environmental problems — costs, benefits and resource implications of proposals and options — with an aim to using economic incentives rather than simply government regulations as the major tool for controlling industrial pollution.

But on fundamental economics, the secretariat is mute.

There is no discussion as to why Japan, which has gone further than Germany in complying with requests to boost domestic demand, continues to run a virtually unchanged trade surplus against the United States while Germany's trade surplus is now essentially against its European neighbors.

Nor is there a challenge to the U.S. insistence that raising taxes is no solution for the budget deficit because higher revenues simply mean higher spending by Congress. Nor a challenge to the German *view that cutting taxes is no real* boost to consumer demand since higher income merely results in higher savings by a product-saturated public.

To be sure, West German taxes are scheduled to be cut again next year. But the existing sharp divisions over how fiscal policy works defeats the insistent — repeated this year — calls on governments to better manage domestic demand so as to correct the enormous U.S. deficit and West German and Japanese surpluses in trade.

The secretariat's prescription for dealing with the trade imbalances is a rehash of previous unheeded advice: that the United States reduce its federal budget deficit and West Germany and Japan accelerate structural reforms aimed at opening their markets and stimulating domestic consumption.

The secretariat said reduction of the U.S. budget deficit is "a matter of urgency. . .clearly essential to correct serious internal and external disequilibria."

The OECD also warned that the public debt of Canada, Belgium *and Italy "is continuing to mount* dangerously" and said a rapid reduction "is increasingly urgent."

In last year's communiqué, the United States agreed that "action will be taken to ensure that the budget deficit is brought down substantially in 1989 and subsequent years."

The U.S. Congressional Budget Office is a forecasting a deficit this year in excess of last year's $155 billion and private analysts such as Salomon Brothers Inc. see the deficit stalled at about $160 billion.

In this year's communiqué, the United States will promise that "measures will be taken if necessary to achieve the stated target of reducing the federal budget deficit to $100 billion in fiscal year 1990 and to achieve the objective of eliminating it entirely by 1993."

But without a redirection of consumer demand and a reduction in the trade imbalances, the danger increases that U.S. policymakers will be driven by domestic political pressures to accede to demands for protectionism and managed trade — an ugly specter that becomes more real the longer commitments *to avoid it remain unfilled.*

Hong Kong Faces More Market Fear

Compiled by Our Staff From Dispatches

HONG KONG — Hong Kong's stock market, which plunged last week in response to the political turmoil in China, appears poised for more volatility, analysts said.

"Violence in Beijing could knock another 300 to 400 points off the market," said Phillip Chan, manager of equities research at Mansion House Securities.

The Hang Seng index, which has borne the brunt of Hong Kong's vulnerability to political uncertainty in China, fell 379.96 points, or 12.08 percent, last week.

Friday's 2,765.67 closing level was the lowest in five months, and the 339-point drop on Monday was the largest single-day fall since the October 1987 collapse.

The turmoil in Hong Kong spilled over to Singapore, where the Straits Times Industrial Index fell *40.13 points* last week.

Average daily trading volume in Hong Kong surged 92 percent last week, to 3.13 billion Hong Kong dollars ($402.2 million) from 1.64 billion dollars the previous week, as news from China sparked panic selling.

Brokers said the Hong Kong market is now extremely cheap, and they predicted aggressive bargain-hunting this week, especially from overseas investors who were said to be active buyers last week. Nonetheless, they warned that if the situation in China turned violent, further sharp drops could be expected.

(Reuters, AFP)

WORLD STOCKS IN REVIEW / *Via Agence France-Presse*

Amsterdam

Stocks rose in thin trading last week as the market was dominated by fluctuations in interest rates and the dollar.

The all-share index finished the week at 189.8, up from 187.4 the previous week, while the CBS index closed at 179.0, up from 177.3. The U.S. currency's surge boosted dollar-related stocks, but turnover remained low. Volume was 6.5 billion guilders, up from 5 billion the previous week.

The Kempen & Co. brokerage said the market would continue to be influenced by macroeconomic factors as little company news was expected.

Frankfurt

West German stocks held firm last week, despite the dollar's surge, with the DAX-30 trend index closing at 1,375.94 points on Friday, up 25.53 points from last week.

Trading was thin, and the main exchanges were closed for a holiday on Thursday. Volume remained low at 21.11 billion Deutsche marks, compared with 17.04 billion DM a week earlier.

The dollar's climb at the beginning of the week boosted export-oriented stocks. Brokers welcomed Volkswagen's efforts to improve its profit margin, sending its shares to 382 DM, up 32.50 DM on the week.

Building shares were the week's star performers. Strabag gained 17 percent, and Bilfinger & Berger finished the week 7 percent higher.

Banks also were in demand. Dresdner Bank closed at 324 DM Friday, up from 315 a week earlier.

The bond market, however, suffered more from the stronger dollar *than the stock market. The average* yield was quoted at 7.12 percent Friday, unchanged from the previous week, while the Commerzbank index closed at 107.299 points, 0.066 point weaker.

London

Prices tumbled on the London Stock Exchange last week after British bank base lending rates were raised to 14 percent from 13 percent.

The market also was depressed by the strong dollar and inflationary pressures. The Financial Times *100-stock index closed at 2,140.3,* down 64.4 points from the previous week's ending.

The release of data showing a surprise fall in retail sales for April limited losses, as did the announcement that the trade deficit was exactly as expected at £1.65 billion.

A slight strengthening in the pound, along with signs that the British economy had slowed in the first quarter, brought some stability to the market at the end of the week.

But with rumors that Japan would raise its discount rate by 0.75 percent on Wednesday, the market remained concerned that a further rise in interest rates in Britain could be necessary to defend the pound.

Cable & Wireless and Standard Chartered Bank, both with substantial Far Eastern exposure, reflected the Hong Kong market's decline amid unrest in Beijing.

RTZ lost ground after it asked current stockholders Wednesday for £486 million in a rights issue to help finance its purchase of BP Minerals.

British Aerospace surged on news that its Rover subsidiary's stake in DAF had been valued at £150 million

Eurotunnel reacted positively to encouraging news of progress in the Channel tunnel's construction.

Trusthouse Forte and Ward White gained on speculative demand. But Tiphook sagged after it announced a rights issue the size of its present capitalization to help finance a bid for Sea Containers.

Milan

Stock prices were slightly higher in dull trading. The MIB index rose to 1,017 from 1,014, while the COMIT index advanced to 603.40 from 601.78 the previous Friday. Exact trading volume was unknown for the second consecutive week because of computer failure.

Leading issues showed little *movement. STET rose 4.16 percent* on the week, and Pirelli finished 1.27 percent higher. Insurance shares lost ground, with RAS down 2.58 percent and Generali off 1.27 percent.

Olivetti and Mediobanca were unchanged from the previous week. Fiat gained 0.66 percent.

Trading was dominated by the strengthening dollar and its effect on interest rates, including the rise in Britain and the rumors of a similar move to come in Japan.

Paris

The Bourse hit a record high last *week, with the SBF (formerly* CAC) index ending at 478.5, compared with the previous record of 470.4 and up from 460.3 the previous week.

Foreign investors were active despite the threat of higher interest rates sparked by the strong dollar. The market was reassured by the dollar's fall after concerted central-bank intervention on Friday and the announcement of slower-than-expected growth in the U.S. gross national product.

News of a 1.2 percent rise in the French first-quarter gross domestic product also boosted the market.

Galeries Lafayette stock rose strongly after the Australian businessman Ron Brierley said he was ready to raise his stake. He already holds 12.8 percent of the retailer's stock.

Hachette stock gained after the publishing concern was said to have changed accounting methods for its U.S. subsidiaries. Brokers said it was undervalued.

As in London, Eurotunnel stock strengthened, with interest from Japanese and local investors.

Singapore

Heavy selling by overseas fund managers sent stock prices sharply lower as panic selling, spurred by unrest in China, spilled over from the Hong Kong exchange.

The Straits Times Industrial Index, which gained almost 25 points last week, shed 40.13 points, to close at 1,269.58 on Friday. The SES All-Share Index lost 10.42 points, falling to 340.16.

Daily turnover dropped to 81.2 million units worth 168.4 million Singapore dollars from 95.6 million units worth 190 million Singapore dollars last week.

Bargain-hunting and short-covering activity Friday kept the market from closing at its week's lows. Dealers predicted trading would remain cautious in view of the uncertain political climate in China.

Activity last week centered on lower-priced and warrants stocks, while blue chips bore the brunt of the selling. Blue-chip losers included SIA, which plunged 70 cents, Malayan Breweries, down 50 cents, Genting, 45 cents, Inchcape, 20 cents, New Straits Times, 62 cents, and Perlis, 30 cents. National Iron rose 15 cents, to 7.35. Singapore Press Holdings was steady at 7.60.

Tokyo

The Nikkei average ended last week at a record 34,191.62 yen as the dollar's violent fluctuations against the yen continued. Friday's *Nikkei closing price topped the* previous record high of 34,135.24 yen set on May 8.

The 225-stock average posted a 189.66 yen gain from the previous week's finish of 34,001.96 yen. It had been a 135.63-yen winner the week before. The Tokyo Stock Price Index of all common stocks listed on the market's first section, a fractional 0.49-point loser in the preceding week, gained 13.01 points, to 2,518.15.

Trading, however, was lethargic, as many investors tended to sit on the sidelines watching for dollar's moves against the yen. Average daily turnover came to 698.7 million shares, compared with 651.2 million shares the week before.

Automobiles fared well, with Toyota rising to 2,720 yen from 2,670 yen a week ago, Honda advancing to 2,030 yen from 1,970 yen and Nissan gaining to 1,580 yen from 1,540 yen.

Nippon Telegraph & Telephone also did well, finishing the week at 1.53 million yen, up from 1.46 million yen.

Electricals were mixed, with Sony gaining to 7,500 yen from 7,370 yen, Hitachi declining to 1,660 yen from 1,680 yen and Tosghima unchanged at 1,370 yen.

Steels were generally lower. Nippon Steel went down to 903 yen from 912 yen and Kawasaki Steel to 1,050 yen from 1,070 yen.

Analysts said that the market would rise further this week as a massive inflow of money is likely from expected portofolio-building by public pension and other public funds.

The expected 0.75 percent rise in the Bank of Japan's discount rate, to 3.25 percent, on Wednesday has already been discounted by the market, the analysts said.

Zurich

Zurich shares fell last week because of the dollar's surge and higher Swiss interest rates. The Crédit Suisse index finished the week at 550.5, down from 558.8 the previous week, while the Swiss Bank Corp. index ended at 582.6, down from 590.8.

Most Swiss stocks declined. Sulzer stock lost 600 Swiss francs, to 4,875, while UBS shed 85 francs, to 3,005. Electrowatt lost 90 francs, falling to 2,715.

Insurance companies also edged down. Zurich bearer stock finished at 4,550 Swiss francs, down 225 from the previous week.

Nestlé bearer stock sagged 210 Swiss francs, to 7,110.

West German stocks were slightly firmer, Thyssen losing 4 francs, to 217, and AEG down 4.5 francs, at 183.5. Volkswagen, however, gained 22 francs, to 333.

Among Dutch issues, Akzo gained 8 Swiss francs, to 113.5, and Philips rose 1.25 francs, to 29.75.

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

(Continued)

	Sales in 100s	High	Low	Close	Net Ch'ge

Chicago Exchange Options

Figures as of close of trading Friday. May 26

Option & price		Calls		Puts	

American Exchange Options

Figures as of close of trading Friday. May 26

Option & price		Calls		Puts	

INTERNATIONAL CLASSIFIED

(Continued From Back Page)

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MONDAY SPORTS

Bulls Lead as Jordan Pops 46; Suns Drop No. 3 to the Lakers

By Anthony Cotton
Washington Post Service

CHICAGO — After a controversial offensive foul gave his team the ball late in the game, Michael Jordan soared toward the basket for an eight-foot bank shot over two defenders with three seconds remaining Saturday to give the Chicago Bulls an improbable 99-97 come-from-behind victory over the Detroit Pistons here.

Ray Foli/Reuters-UPI
Mark Aguirre tries to avoid stepping on the Bulls' Scottie Pippen.

NBA PLAYOFFS

Not only did the Pistons have a chance to win the third game of the Eastern Conference finals, but they also botched an opportunity to reestablish their swagger and psychological edge, which both had taken a beating in the opening two games of the best-of-seven series.

The Pistons, the most feared team in the league entering the playoffs, had silenced the crowd and apparently crushed Chicago's spirit in taking a 14-point lead with just over seven minutes to play. But the visitors could not come up with the knockout blow. Instead, that was provided by Jordan, the man who routinely makes the spectacular look routine.

"To have all that in the palm of their hands and then have it taken away from them; what does that do to them?" asked Jordan. "And look at us. We didn't play a game that we deserved to win but we still got a victory — that's got to hurt them a lot."

The Pistons have not given up 100 points in any of their 10 playoff games, but that seemed a hollow fact in the face of the Bulls' 27-11 spurt that cost Detroit the game and put the Pistons on the short end of the only statistic that counts — Chicago's 2-1 series advantage.

Jordan ended with 46 points, seven rebounds, five assists and five steals. Ten of his 17 fourth-quarter points came in a three-minute span down the stretch. But, for most of the afternoon, Chicago looked like it did not deserve to be playing this late in the season.

Trailing 86-72, the Bulls had shot just 44 percent from the field. Jordan was Jordan, but he was receiving virtually no help. Starting forwards Horace Grant and Scottie Pippen had combined for six points and six rebounds.

But as they did in their 94-88 loss in the series opener, the Pistons blew a gasket down the stretch. Pippen missed two free throws and Dennis Rodman scored on a lay-up to give the visitors a 93-87 lead with 2:48 remaining. Jordan scored for the Bulls but Vinnie Johnson came back with a basket for Detroit with 2:15 left. It was the last field goal the Pistons would score.

Jordan made a jumper and Grant added a tip-in to make it 95-93 with 1:24 to play. Joe Dumars made two free throws at the 1:10 mark but Jordan scored again and, when Rodman was called for a loose ball foul, Grant tied the game with a pair from the line with 28 seconds left.

The Pistons took a timeout and when play resumed they went to their bread and butter play: a two-man game with Isiah Thomas and Bill Laimbeer at the top of the key. Usually, Thomas either uses the center's pick to drive to the basket or shoot an open jumper, or, if both defenders chase him, he passes back to Laimbeer for the open shot.

Saturday, neither happened. Referee Bill Oakes called Laimbeer for throwing a hip at Jordan while setting his screen, and the ball went to the Bulls with nine seconds left.

Once again, Jordan came through when it mattered the most. Following the foul, he took the ball near the top of the circle.

"Rodman's played me tough before but I knew that I had the advantage because I had a step on him," he said. "When I left my feet for the shot I jumped horizontally so that I could avoid the charge and still keep a good eye on the basket."

■ **Lakers 110, Suns 107**

James Worthy scored 14 of his 29 points in the fourth quarter and the Los Angeles Lakers hit six free throws in the final 38 seconds to beat the Phoenix Suns, 110-107, on Friday night in Phoenix, Arizona, and take a 3-0 lead in their Western Conference final series, The Associated Press reported.

Phoenix trailed 93-83 with 7:14 remaining in the game. But Eddie Johnson, winner of the league's Sixth Man Award, broke out of a series-long shooting slump to score nine points in a 4:06 span and give Phoenix a 103-102 lead on a three-point play with 1:50 remaining.

Armon Gilliam's lay-up with 1:22 left put the Suns up 105-102 before the Lakers won on free throws.

Worthy sank two foul shots with 1:04 left, then Mychal Thompson converted two with 38 seconds remaining and two more with 22 seconds to play for a 108-105 lead.

Phoenix rookie Dan Majerle had three-point attempts bounce off the rim with 17 seconds left and 10 seconds remaining before Michael Cooper's free throws capped Los Angeles's scoring with eight seconds to go.

Swish! The 55-Foot Magic Miracle

Los Angeles Times Service

PHOENIX, Arizona — On the statistics sheet it was a three-point field goal, but in Los Angeles Laker lore it will go down as a genuine Magic miracle.

With time running out in the first quarter of Game 3 on Friday, Phoenix guard Kevin Johnson hounded Magic Johnson in the backcourt. Trapped in the midcourt corner at the sideline, Magic threw a fall-away half-hook that swished 55 feet (17 meters) away.

As Magic's momentum carried him past the courtside seats, he spotted a hand sticking out and shook it as he went by.

The hand belonged to Karl Eller, a Phoenix businessman who was once a part owner of the Suns. He was probably throwing up his hand to ward off the evil spirits that had infiltrated the Suns' gym.

"I just saw a hand and I shook it," Magic said after presiding over the Lakers 110-107 victory.

SIDELINES

Inter Milan Wins

ROME (Reuters) — Internazionale Milan won the Italian soccer championship on Sunday with a 2-1 home victory over rival Napoli. A free kick by Inter's West German midfielder, Lothar Matthaus, clinched the match.

Soccer Arrests

GLASGOW (AP) — Soccer fans clashed Saturday in the city center and the streets surrounding a Glasgow stadium before, during and after a game between Scotland and England, and police reported more than 250 arrests.

"There were clashes between rival groups and police stepped in quickly to quell any disturbances and make arrests," said Strathclyde Police spokesman Ralph Howden.

There were no serious injuries reported, he said.

German Victory

DUESSELDORF (AP) — Boris Becker led West Germany to a 2-1 victory over Argentina in the World Team Cup tennis tournament Sunday. Becker gave West Germany the lead after defeating Guillermo Perez-Roldan, 6-0, 2-6, 6-2. But Martin Jaite rallied and defeated Carl-Uwe Steeb, 6-4, 6-3.

Becker and Eric Jelen clinched the victory for the West Germans by defeating Javier Frana and Gustavo Luzauss, 6-4, 7-5, in doubles.

Harness Racing

STOCKHOLM (AP) — American-bred Napoletano, driven by Stig H. Johansson of Sweden, captured the 37th Elitloppet Sunday after leading Europe's richest harness race for seasoned trotters all the way.

For The Record

Lou Piniella dropped out of contention for the Toronto Blue Jays' managerial opening Saturday after Toronto failed to meet the New York Yankees' demands for player compensation in return for Piniella, a Yankees broadcaster and hitting instructor. *(NYT)*

Japan beat Scotland, 28-24, in a rugby match Sunday in Tokyo, Japan's first victory in 28 matches against teams belonging to the International Board. *(AP)*

Gary Carter, the New York Mets catcher, says he will undergo arthroscopic surgery on his right knee on Monday and will be out for six to eight weeks. *(AP)*

Paek In Chul, the South Korean challenger, knocked out Fulgencio Obelmejias of Venezuela in the 11th round on Sunday to win the World Boxing Association supermiddleweight title in Yochon, South Korea. *(AP)*

Dennis Eckersley, the Oakland Athletics' star reliever, is expected to miss at least two weeks with a strained shoulder muscle, Manager Tony La Russa said Sunday. *(AP)*

Jana Novotna of Czechoslovakia routed Patricia Tarabini of Argentina, 6-1, 6-2, to win a women's tennis tournament on Sunday in Strasbourg, France. *(AP)*

Quotable

British middleweight boxer Nigel Benn, discussing his relationship with adviser Ambrose Mendy: "He's England's version of Don King, except that he doesn't steal my money." *(LAT)*

French Open: Clay's Grueling Summit

For Some, Tournament Is a Lesson in Coping

By Nick Stout
International Herald Tribune

PARIS — Mats Wilander looked across the net during a practice session last week at Roland Garros Stadium and asked his opponent, "Should we play for a hundred?"

"Hey," Jimmy Connors replied, "you're going to make your living off me."

Connors, who is 36 and has never defeated Wilander in a tournament, knew he would be struggling, and in fact he lasted less than an hour.

"I'm going to have to bag it, Mats," he said finally, after a series of grunts and obscenities directed at himself with every mistake. "This is no good for you, and it's certainly no good for me. My hay fever is so bad, I'm sick. I've got to get a shot."

A few days later, a healthier Connors was practicing again, this time with the red-hot Alberto Mancini.

"He's strong, isn't he?" Connors proclaimed to anyone within earshot as the 20-year-old Argentine let loose with a blistering backhand. It was a throwback to the early 1970s, when Connors was the young sensation and very strong.

Such was the prelude to the French Open tennis championships, the world's premier clay-court tournament, which begins Monday. Wilander, Connors and Mancini were among the first arrivals, and all had good reasons for showing up early.

Wilander is the defending champion, but he comes to Paris in the midst of a slump. He has not won a tournament since capturing the U.S. Open in September; most recently he lost in the third round in Rome to the 34th-ranked Jay Berger of the United States. Seeded No. 4 in Paris, Wilander will have to get past Ivan Lendl, the world's top-ranked player, to reach the final. Can he work his way into shape?

"I feel much better now than a few months ago," he said recently. "I'm obviously worried about not doing as well as I did last year, but I think I'm going to be more determined."

The draw, at least, is on his side. The Swede, who has won the French title three times, is scheduled to play qualifiers — young players who had to play qualifying matches to earn entry into the tournament — in the first two rounds.

Connors, coping with old-age, has never been at home on clay and did not get past the third round in the Italian Open earlier this month. Seeded ninth, he probably would face Miroslav Mecir of Czechoslovakia in the fourth round here. While nobody considers Connors a serious contender, the French Open would not be the same without him.

"I enjoy this tournament for a lot of reasons," he has said. "I enjoy Paris. My wife and family enjoy Paris. And a little tennis on the side doesn't hurt anyone."

Mancini is a different story. The No. 11 seed is coming off tournament victories in Monte Carlo, where he beat Wilander and Boris Becker, and in Rome, where he stopped Andre Agassi in the final. How far can he ride the momentum?

Pierre Gleizes/The Associated Press
Yannick Noah, left, shares a moment of casual conversation with Jimmy Connors.

He is slated to meet Jakob Hlasek, the No. 6 seed, in the fourth round, and his likely quarterfinal opponent will be Stefan Edberg.

But the French Open, the summit of a series of springtime clay-court tournaments in Europe, has a history of surprises. It was here in 1982, when as an unseeded and virtually unknown 17-year-old, Wilander swept past Lendl, Vitas Gerulaitis and José-Luis Clerc to gain the final. Then he took Guillermo Vilas through four sets lasting 4 hours and 47 minutes on a 96-degree (35.5-degree centigrade) afternoon to become the youngest player to win the French title. He has been a household name since.

The French Open is considered the most grueling of the four Grand Slam events. Unlike the fast hard courts at Flushing Meadow or the swift grass at Wimbledon, the red, dusty clay at Roland Garros Stadium gives rise to a slower, more precise brand of tennis. The points are longer, which means a five-set match can, and often does, exceed four hours. There is time to read the players' minds as they plan their shots. It is a "thinking tournament," as Chris Evert once said.

Americans traditionally have been weak on clay, because they learn their game primarily on the cement and synthetic surfaces that abound in the United States. No American male has won the French singles title since 1955. With John McEnroe absent (he stepped on a ball during an exhibition match and hurt his back), Agassi, seeded No. 5, would be the one to end the drought.

A Wilander-Agassi match is possible in the quarterfinals, but if the seeds progress according to design, Lendl will play Becker in the final on June 11. Lendl has won in Paris three times, and he enters the tournament highly motivated.

"I care not as much as you might think about being No. 1," he said earlier this year. "I care about winning Grand Slams."

Last year's losing finalist, Henri Leconte of France, is recovering from a back operation and will miss the tournament, leaving his compatriot Yannick Noah, the 1983 champion, as the local favorite. Noah beat Wilander for the title in 1983, and the two could meet in the fourth round this year.

The absence of both Evert and Martina Navratilova ends an era for women's tennis in Paris. The two women dominated the tournament for more than a decade, but they were eliminated in the early rounds last year and apparently decided not to risk another embarrassment.

Evert, 34, who has won the French title seven times, withdrew late last week, saying, "I don't have the heart to stay out there and fight all day." Her decision to pull out followed a second-round loss to the Austrian Barbata Paulus in Geneva and, a few weeks earlier, a loss to 15-year-old Monica Seles, a Yugoslav who lives in Florida. The question now is whether Evert will continue playing tennis at all.

Navratilova, 32, said she wanted to spend more time preparing her grass-court game for Wimbledon, her best chance of stopping the top-ranked Steffi Graf. She must have been recalling the 1987 Paris final, when Graf overcame a 3-5 deficit in the third set to beat Navratilova, 6-4, 4-6, 8-6.

So the stage is set for Graf, who won all four Grand Slam tournaments last year, to seek her third straight French championship and continue her quest for another Grand Slam sweep. She is expected to play the final June 10 against Gabriella Sabatini, the only person to have defeated Graf this year. But Natalya Zvereva of the Soviet Union, seeded third, is much improved after losing the final to Graf last year, 6-0, 6-0.

U.S. Impresario Dealing for Soviet Hockey Stars

Compiled by Our Staff From Dispatches

NEW YORK — The first question Soviet journalists asked Mark Malkovich, a classical music impresario, was: Why hockey players?

"My answer was, 'Why not?' " he said.

On Saturday, The New York Times reported that Malkovich had signed five of the Soviet Union's best hockey players to representation contracts in Moscow last week.

Four already have been drafted by NHL clubs — two by Vancouver, one by Calgary and another by New Jersey. But some of those teams aren't sure they like Malkovich's intervention. They thought they would be dealing with the Soviet Ice Hockey Federation, which maintains the right to negotiate for players.

"Whether the federation will control their fate or whether the players will have the freedom to negotiate on their own isn't known at this time," the Canucks general manager, Pat Quinn, said.

Malkovich, director of the Newport Music Festival, said it was the players' decisions to sign with him, and it had nothing to do with money but rather was evidence of "their passionately believing in civil liberties."

Malkovich has represented several Soviet musicians, including violinist Dmitri Sitkovetsky.

"They're great artists," Malkovich said of the hockey players. "And I don't see any big difference between artists whether they're musicians or ballet dancers or hockey players."

Malkovich said two of the players, Igor Larionov and Vyacheslav Fetisov, signed agreements secretly with him last February, and the other three — Vladimir Krutov and Sergei Makarov, and goaltender Aleksandr Tyshnich — signed last Tuesday in Moscow.

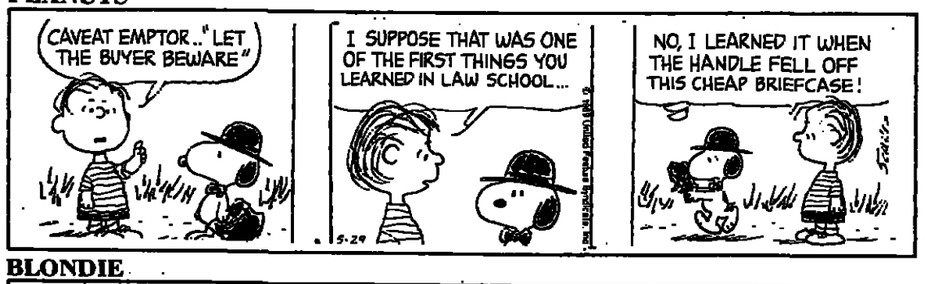
Krutov, Larionov and Makarov make up the famous KLM line of the Soviet team. The New Jersey Devils have owned Fetisov's NHL draft rights since 1983. Larionov was drafted by Vancouver in 1985, and the Canucks took Krutov in 1986. Makarov was picked by Calgary in 1983. No team has drafted Tyshnich.

Malkovich said a new law is due to go into effect in the Soviet Union on July 1, giving any citizen the right to leave the country for five years if he has a valid labor contract. *(AP, NYT)*

DENNIS THE MENACE

"IF YOU ASK ME, NOAH COULD HAVE LEFT THE TWO MOSQUITOES BEHIND."

PEANUTS



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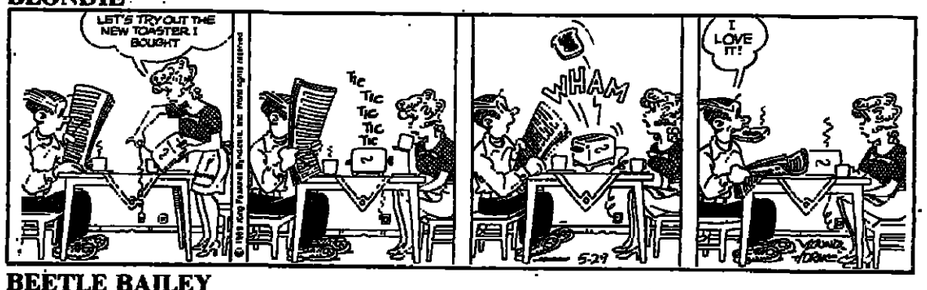

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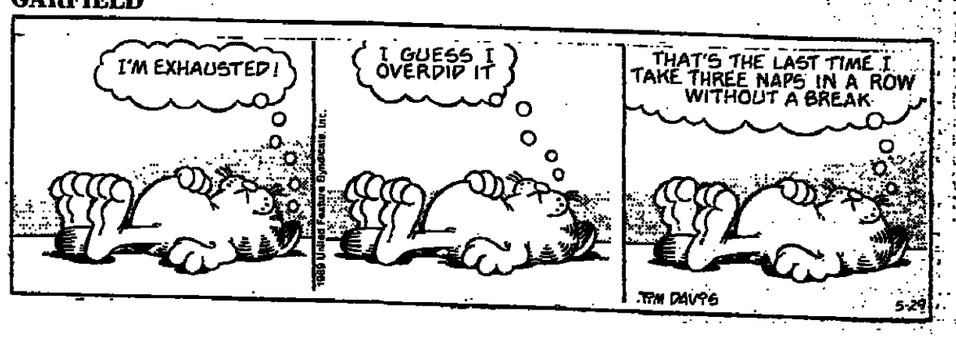


The Global Newspaper.

MONDAY SPORTS

4-Hitter From McCaskill Gives Angels 2d Shutout of Red Sox

The Associated Press

Kirk McCaskill pitched a four-hitter Sunday in Boston as the California Angels beat the Red Sox, 3-0, for their second straight shutout of Boston.

McCaskill, 6-1, lowered his league-leading earned-run average to 1.49, striking out five and walking one in his second shutout and complete game this year.

California, which had nine shutouts all of last season, has 11 in its 31 victories.

SUNDAY BASEBALL

Boston, beaten 5-0 on Chuck Finley's one-hitter Friday night, has not scored in 20 consecutive innings.

John Dopson, 5-3, allowed eight hits in 4⅓ innings. Johnny Ray, Devon White and Brian Downing had two hits each in California's 10-hit attack.

California went ahead to stay on an unearned run in the fourth. Ray led off with a single, took second on Dopson's wild pickoff attempt and scored on Chili Davis's two-out single.

The Angels chased Dopson in the fifth. Dick Schofield singled, stole second and scored on Downing's single. Downing took second on the throw to the plate, advanced to third on Claudell Washington's sacrifice and scored on White's single.

Sam Horn singled in the seventh to break a 0-for-26 slump.

Indians 1, Orioles 0: In Cleveland, Joe Carter's squeeze bunt scored the winning run with two outs in the ninth and Greg Swindell pitched a four-hitter as the Indians ended a five-game losing streak.

Cleveland ended Baltimore's five-game winning streak, despite getting only three hits off two Baltimore pitchers.

Bob Milacki, 2-5, allowed two hits over eight innings but walked Felix Fermin to start the ninth. Milacki, who struck out six, left after going to a 2-0 count to Oddibe McDowell, who sacrificed Fermin to second with a perfect bunt off Mark Williamson.

Swindell, 5-1, struck out two and walked four in his first shutout and second complete game of the season.

He held the Orioles hitless until Mike Devereaux lined a one-out single to left in the sixth. Milacki was nearly as effective through the early innings, allowing a one-out double by Browne in the first and then not giving up another hit until Fermin singled leading off the sixth. Neither runner advanced any further.

Blue Jays 7, White Sox 5: In Toronto, George Bell hit a two-run homer off Bobby Thigpen in the 10th inning, lifting the Blue Jays past Chicago in the final game in Exhibition Stadium.

Kelly Gruber led off with a double off Thigpen, 0-1, his fourth hit of the game. Bell followed with his sixth home run.

Tom Henke, 3-3, allowed one hit in 1⅓ innings, striking out three of the five batters he faced.

Toronto, 492-476 in Exhibition Stadium since the franchise began in 1977, moves into the $350 million SkyDome on June 5. A crowd of 46,120, the largest of the season and the seventh-largest in Toronto history, attended the game. There was never a no-hitter in the ballpark.

Athletics 4, Yankees 3: In New York, Mark McGwire hit his first homer in 10 games and Ron Hassey drove in two runs as Oakland beat completed its first three-game sweep of the Yankees since 1973.

Mike Moore, 6-3, allowed one earned run and seven hits in 5⅔ innings, lowering his earned-run average to 1.94. The hits were the most he has allowed since his first start of the season.

Eric Plunk, Greg Cadaret, Jim Corsi and Rick Honeycutt finished with three-hit relief, with Honeycutt gaining his third save of the season.

McGwire, in a 4-for-25 slump, hit his 10th homer of the season in the fourth to put Oakland ahead 2-1. Carney Lansford doubled and scored on Ron Hassey's single for a 3-1 lead.

Mike Pagliarulo's RBI single pulled the the Yankees to within 3-2 in the sixth.

Astros 9, Pirates 2: In the National League, in Pittsburgh, Glenn Davis homered for the third consecutive game as Houston used five stolen bases and four errors to beat the Pirates and sweep the three-game series.

Mike Scott, 7-3, allowed two runs and six hits in six innings to beat the Pirates for the fourth straight time and the seventh time in eight decisions dating to August 1986.

The Pirates were 7-for-7 in stolen base attempts and the Astros 5-for-5 to combine for 12 steals, four short of the modern National League record.

Rafael Ramirez, who had the game-winning hit in Saturday's 12-inning victory, went 4-for-5 for the Astros.

Cubs 6, Reds 1: In Chicago, Mike Bielecki pitched a seven-hitter and Shawon Dunston's two-run single keyed a three-run sixth inning, leading the Cubs over Cincinnati.

It was the 10th victory in the last 12 games for the Cubs, who took two of three from the Reds in a weekend series involving divisional leaders.

Bielecki, 4-2, lost his shutout when Chris Sabo hit his fourth homer of the season — all in the last five games — in the eighth inning. It was Bielecki's second complete game of the season. He struck out five and walked two.

Angels' Finley Has 'Fun' in a Near No-Hitter

The Associated Press

BOSTON — Chuck Finley of the California Angels called it "fun while it lasted," as he came within four outs of a no-hitter against the Boston Red Sox.

"It would have been nice to get, but it didn't happen," said the left-hander after a one-hit, 5-0 victory on Friday night over Boston's ace, Roger Clemens.

Finley had a no-hitter for 7⅔ innings before Jody Reed poked a 0-1 pitch into shallow center for a single.

"It was a high fastball that I never should have swung at," Reed said. "I never should have got the hit."

Finley threw only 96 pitches, 56 for strikes, in his bid to become the first pitcher to record a no-hitter in Fenway Park since Boston's Dave Morehead did it against Cleveland on Sept. 16, 1965.

Finley's best game in 43 previous major-league starts was a five-hitter. He walked four and struck out five in winning his fifth consecutive decision, a career-high.

Clemens allowed all the California runs — two of them unearned — and seven hits in 8⅓ innings.

Ann Miller-Carr/Agence France-Presse

Emerson Fittipaldi's crew in action on Sunday during one of the Brazilian driver's Indy 500 pit stops.

Extra Innings? Call Houston's Ramirez

The Associated Press

Rafael Ramirez is becoming Houston's extra-inning specialist.

The Astros are 5-4 in extra-inning games this season and Ramirez has the game-winning hit in four of the victories, including a 12th-inning single that gave Houston a 5-4 victory over the Pirates on Saturday night in Pittsburgh.

SATURDAY BASEBALL

Glenn Davis tied the score with a two-out, two-run homer in the ninth.

"I like to hit in that situation," Ramirez said. "It's hard to explain but it makes me concentrate more. I knew I had to do something because I didn't want to play any more innings."

Four of Houston's runs were unearned because of Pittsburgh errors. With one out in the 12th, Davis was safe on third baseman Bobby Bonilla's throwing error. One out later, Ken Caminiti got an infield hit and Ramirez hit a soft single to center off Jeff Robinson.

"I don't try to hit the ball too hard," Ramirez said. "I just want to make contact."

Davis hit his 11th home run, off rookie Randy Kramer, with two out in the ninth after Gerald Young was safe on second baseman Jose Lind's one-out error.

Dodgers 2, Mets 1: In Los Angeles, Mike Morgan lowered his major-league-leading earned run average to 1.19 and came within one out of his first National League shutout.

Jeff Hamilton singled twice and scored both Los Angeles runs on singles by Willie Randolph in the second and pinch-hitter Dave Anderson in the third.

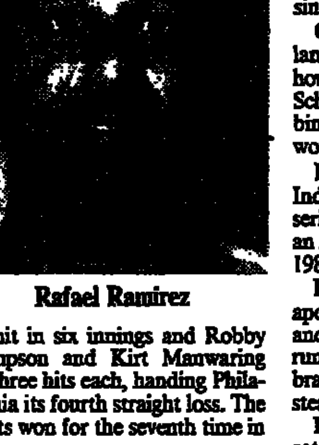
Padres 5, Expos 0: Walt Terrell gave Montreal a taste of its own shutout medicine with a six-hitter and Tim Flannery had two run-scoring hits in San Diego. The Padres ended a string of 29 scoreless innings and three straight shutouts by Montreal pitchers with a run in the second inning.

Braves 4, Cardinals 1: An error by Cardinals' third baseman Terry Pendleton allowed the go-ahead run to score in the eighth inning in St. Louis and Andre Thomas added a two-run homer as Atlanta scored more than once for the first time in 80 innings and ended a six-game losing streak.

Cubs 5, Reds 3: In Chicago, Rick Sutcliffe pitched a four-hitter and Damon Berryhill and Dwight Smith drove in two runs each as the Cubs won for the ninth time in 11 games.

Sutcliffe struck out eight and walked two in his second complete game.

Giants 6, Phillies 2: In San Francisco, Atlee Hammaker allowed one hit in six innings and Robby Thompson and Kirt Manwaring had three hits each, handing Philadelphia its fourth straight loss. The Giants won for the seventh time in 10 games.



Rafael Ramirez

Athletics 3, Yankees 0: In the American League, Curt Young and three relievers combined on a six-hitter in New York as Oakland notched its second straight shutout of the Yankees. The Yankees had not been shut out in consecutive games since California did it on May 19 and 20, 1984.

White Sox 5, Blue Jays 3: In Toronto, Carlos Martinez hit his first major-league homer to snap a sixth-inning tie as Chicago ended a seven-game losing streak.

Royals 5, Tigers 1: In Kansas City, Missouri, Mark Gubicza pitched a seven-hitter to win at home for the first time in five starts this year and Jim Eisenreich had a single and two doubles.

Orioles 5, Indians 1: In Cleveland, Mickey Tettleton hit his sixth homer in 12 games and Dave Schmidt and Mark Huismann combined on a four-hitter as Baltimore won its fifth straight.

Baltimore, which also beat the Indians on Friday, ensured its first series victory on the road against an AL East team since April 10-12, 1987, when they swept the Indians.

Rangers 5, Twins 3: In Minneapolis, Jeff Kunkel had two hits and Rafael Palmeiro drove in two runs as Texas triumphed after a brawl over accusations of sign stealing.

In the second inning, Minnesota catcher Brian Harper accused Steve Buechele of stealing signs and the two fought. Both benches emptied and the game was delayed for about 10 minutes before Buechele and Harper were ejected.

Brewers 3, Mariners 2: In Milwaukee, Gary Sheffield, who asked Friday to be traded, singled in the winning run in the ninth inning off Brian Holman, who was making his debut with Seattle.

Fittipaldi Wins Indy 500 After Bumping Unser

The Associated Press

INDIANAPOLIS — Emerson Fittipaldi bumped Al Unser Jr. into the wall and out of the lead less than two laps from the end, holding off first one, then two sons of Indianapolis 500 legends to win America's most prestigious automobile race Sunday.

Michael Andretti and Unser were the only drivers able to pass Fittipaldi, the two-time Formula One champion on the racetrack, but neither could outlast the man who once retired from racing because it was too dangerous.

"What a race! What a race!" a triumphant Fittipaldi said afterward. "I cannot believe it. I dreamed so much of this ever since I was a little boy."

Andretti, the son of 1969 winner Mario Andretti, fell out of the race with a broken engine while leading the 42-year-old Brazilian, then the daring Unser raced past the longtime champion only to see his hopes of joining his father and uncle Bobby in victory circle at the Indianapolis Motor Speedway end in a burst of flame and spewing parts.

Fittipaldi and Unser were so far ahead that when Fittipaldi finished under the yellow caution flag, Unser had not been passed and was awarded second place. Paul Boesel of Brazil was third, Mario Andretti was fourth and A.J. Foyt fifth.

The younger Unser, 27, passed Fittipaldi with four laps remaining in the 200-lap race in a stirring duel that brought the crowd of more than 400,000 to its feet.

Fittipaldi wouldn't give anything away, though, staying on Unser's heels and moving alongside in traffic as the two drove into the third turn on lap 199.

Fittipaldi's Chevrolet-powered PC18 nosed ahead, then Unser's Lola-Chevrolet came abreast. The two bumped wheels, Fittipaldi's right-front and Unser's left-rear, and suddenly Unser was spinning into the wall.

"I was going inside on turn three because of the traffic," Fittipaldi said. "He tried to come inside and we touched wheels, and I guess he lost it. I had more luck. I won the race."

Unser did not blame Fittipaldi for the bump.

"We came up on lap traffic, and I couldn't get off the corner well, and we made contact," Unser Jr. said.

Michael Andretti, 26, also caught the flying Fittipaldi, who dominated most of the race, passing him on lap 154.

Andretti was moving slowly away from Fittipaldi when the Chevrolet engine in his Lola suddenly spewed a puff of white smoke on the straightaway and slowed to a crawl as the huge crowd groaned.

That left Fittipaldi with a seven-second lead over second-place Unser Jr. and his first triumph in the Indy 500.

The victory was Fittipaldi's seventh since coming to the Indy-style car wars in 1984 after a two-year retirement from Formula One, which he says he left because he decided the cars that were in use then were no longer safe.

Fittipaldi is the first foreign-born winner at Indy since Andretti 20 years ago.

Senna Triumphs In Mexico Race

Reuters

MEXICO CITY — Ayrton Senna of Brazil, driving a McLaren, won the Mexican Grand Prix Formula One race here on Sunday.

Riccardo Patrese of Italy was second in a Williams, with his compatriots Michele Alboreto third in a Tyrrell and Alessandro Nannini fourth in a Benetton.

Alain Prost of France was fifth in a McLaren. Gabriele Tarquini, another Italian, was sixth in an AGS.

Faldo's Putts Paying Off at Wentworth

The Associated Press

VIRGINIA WATER, England — Masters champion Nick Faldo birdied the final two holes Sunday to tie Australian Craig Parry with a two-stroke lead after three rounds of the $560,000 European PGA Championship.

Faldo recorded four birdies and one bogey in his round of 3-under-par 69 on the 6,945-yard Wentworth Club course for an 11-under-par total of 205 after three rounds.

Parry also had a 69 to bring his total to 205, but his round included seven birdies and four bogeys. *(See Scoreboard)*

"It was probably the most frustrating round I've ever played in my life," said Parry, a powerfully built 23-year-old nicknamed "Popeye" because of his impressive forearms. "I made so many birdies and bogeys.

"It just seemed all day that on the putts I missed to the left, so I'll have to work on that."

Faldo, playing in his first European tournament of the year and seeking his record fourth European PGA Championship title, said he also was disappointed with his putting Sunday.

SCOREBOARD

BASEBALL

Major League Standings

(Through Saturday)

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Baltimore	23	21	.523	—
Boston	22	22	.500	1
New York	21	25	.457	3
Cleveland	21	26	.447	3½
Milwaukee	20	26	.435	4
Detroit	19	27	.413	5
Toronto	19	28	.404	5½

West Division

	W	L	Pct.	GB
Oakland	32	16	.667	—
California	30	16	.652	1
Kansas City	28	19	.596	3½
Texas	26	19	.578	4½
Seattle	24	25	.490	8½
Minnesota	21	25	.457	10
Chicago	18	29	.383	13½

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
Chicago	26	20	.565	—
New York	24	21	.533	1½
St. Louis	23	22	.511	2½
Montreal	24	24	.500	3
Pittsburgh	19	26	.422	6½
Philadelphia	18	27	.400	7½

West Division

	W	L	Pct.	GB
Cincinnati	26	19	.578	—
San Francisco	26	21	.553	1
San Diego	26	24	.520	2½
Los Angeles	23	22	.511	3
Houston	23	24	.489	4
Atlanta	20	28	.417	7½

Friday's Results

AMERICAN LEAGUE

California 000 002 102—5 9 0
Boston 000 000 000—0 1 1
Finley and Parrish; Clemens, Murphy (9), Stanley (9) and Cerone. W—Finley, 7-2. L—Clemens, 5-4. HR—California, Parrish (6).

Oakland 000 200 200—4 13 0
New York 000 000 000—0 1 1
Burns, Honeycutt (7), Plunk (8) and Hassey; Hawkins, Cory (7), McCullers (7) and Slaught. W—Burns, 4-0. L—Hawkins, 4-6.

Baltimore 101 101 010—5 10 0
Cleveland 000 020 000—2 7 0
Ballard, Olson (8) and Tettleton; Yett, Stoddard (6) and Allanson. W—Ballard, 8-1. L—Yett, 4-2. Sv—Olson (3). HRs—Baltimore, Sheets (3). Cleveland, Jacoby (9).

Texas 400 100 000—5 14 1
Minnesota 000 102 000—3 9 0
B.Witt, Mielke (6), Rogers (7), Russell (9) and Petralli; R.Smith, Oliveras (1), Tunnell (7), Wayne (9), Shields (9). W—B.Witt, 4-4. L—R.Smith, 3-2. Sv—Russell (9). HR—Texas, Leach (1).

Seattle 231 010 000—7 15 0
Milwaukee 100 000 010—2 9 3
DeLeon, Jackson (5), Powell (9) and Valle; August, Wegman (2), Krueger (7), Aldrich (8). W—Jackson, 2-0. L—August, 3-6. HRs—Seattle, Bradley (2), Griffey (7). Milwaukee, Yount 2 (4).

Chicago 000 010 020— 3 8 1
Toronto 200 601 02x—11 17 0
Hillegas, Reuss (5), Long (6), Hardy (7) and Karkovice; Key, Ward (9) and Whitt, Borders (9). W—Key, 6-2. L—Hillegas, 1-6. HRs—Toronto, Gruber (5), Whitt (3).

Detroit 201 000 000—3 12 0
Kansas City 000 020 04x—6 8 0
Gibson, Henneman (7), Hernandez (8) and Heath; Bannister, Aquino (4), Montgomery (8), Farr (9) and Boone, Macfarlane (9). W—Montgomery, 6-1. L—Henneman, 2-1. Sv—Farr (11).

NATIONAL LEAGUE

Cincinnati 200 004 200 002—10 14 3
Chicago 402 100 001 000— 8 11 2
Mahler, Tekulve (4), Birtsas (5), Charlton (6), Franco (7), Dibble (10) and Diaz; Kilgus, Perry (6), Pico (6), Schiraldi (9) and Berryhill. W—Dibble, 4-1. L—Schiraldi, 1-2. HRs—Cincinnati, Benzinger (3), Roomes (2).

Houston 102 010 000—4 9 0
Pittsburgh 000 010 100—2 8 2
Clancy, Agosto (7), Andersen (7), Darwin (8), Smith (9) and Biggio; Heaton, Easley (6), Robinson (8), Kramer (9) and Prince. W—Clancy, 2-4. L—Heaton, 1-5. Sv—Smith (7). HR—Houston, G.Davis (10).

Atlanta 000 000 000—0 5 1
St. Louis 300 000 00x—3 5 0
Smoltz, Acker (8) and Davis, Benedict (8); Terry, Dayley (8), Quisenberry (9) and Pena. W—Terry, 4-3. L—Smoltz, 6-3. Sv—Quisenberry (3).

New York 031 031 000—8 13 0
Los Angeles 000 000 011—2 7 1
Ojeda and Lyons; Hershiser, Horton (6), Searage (9) and Scioscia. W—Ojeda, 2-5. L—Hershiser, 6-4. HRs—New York, H.Johnson (10). Los Angeles, Scioscia (2).

Montreal 200 011 001—5 7 1
San Diego 000 000 000—0 4 1
B.Smith and Fitzgerald; Rasmussen, Grant (7), Booker (9) and Santiago. W—B.Smith, 5-1. L—Rasmussen, 2-5. HR—Montreal, Galarraga (7).

Philadelphia 000 100 000—1 3 0
San Francisco 023 000 10x—6 9 1
Sebra, Carman (5), Parrett (7), G.Harris (8) and Daulton; Garrelts, Brantley (8), LaCoss (9) and Kennedy. W—Garrelts, 3-1. L—Sebra, 1-1. HRs—San Francisco, Thompson (4), Riles (3).

Saturday's Results

AMERICAN LEAGUE

Chicago 200 101 001—5 10 0
Toronto 101 100 000—3 11 3
Perez, Thigpen (8) and Karkovice; Cerutti, Wells (9), Henke (9) and Whitt. W—Perez, 3-5. L—Cerutti, 1-3. Sv—Thigpen (7). HRs—Chicago, Martinez (1). Toronto, McGriff (11), Whitt (4).

Oakland 210 000 000—3 8 0
New York 000 000 000—0 6 1
Young, Nelson (6), Eckersley (9), Honeycutt (9) and Steinbach; LaPoint, Cary (8) and Slaught. W—Young, 2-4. L—LaPoint, 2-4. Sv—Honeycutt (2). HR—Oakland, D.Parker (6).

Detroit 000 100 000—1 7 0
Kansas City 002 003 00x—5 8 1
Nosek, Bockus (5), Schwabe (6) and Nokes; Gubicza and Macfarlane. W—Gubicza, 4-4. L—Nosek, 0-1.

Baltimore 100 001 120—5 8 1
Cleveland 010 000 000—1 4 0
Schmidt, Huismann (6) and Melvin; Black, Atherton (8), Orosco (8) and Skinner, Sotos (9). W—Schmidt, 4-4. L—Black, 3-6. Sv—Huismann (1). HR—Baltimore, Tettleton (11).

Texas 130 100 000—5 11 3
Minnesota 010 000 020—3 6 0
K.Brown and Sundberg; Anderson, Berenguer (3), Wayne (6), Reardon (9) and Harper, Laudner (3). W—K.Brown, 4-1. L—Anderson, 5-3.

Seattle 010 000 001—2 3 0
Milwaukee 100 001 001—3 9 0
Bankhead, Trout (6), Holman (7) and Valle, Bradley (2); Higuera, Knudson (5), Crim (7), Plesac (8) and Surhoff. W—Plesac, 2-2. L—Holman, 0-1. HR—Seattle, Leonard (10).
(California at Boston, ppd., rain)

NATIONAL LEAGUE

Cincinnati 001 000 002—3 4 1
Chicago 202 010 00x—5 8 1
Rijo, Birtsas (5), Tekulve (8) and Reed; Sutcliffe and Berryhill. W—Sutcliffe, 6-3. L—Rijo, 4-1. HRs—Cincinnati, Sabo (3), E.Davis (7).

Philadelphia 001 000 100—2 5 1
San Francisco 010 041 00x—6 10 2
Madrid, O'Neal (6), Harris (7) and Lake; Hammaker, Brantley (7), Lefferts (7) and Manwaring. W—Hammaker, 4-3. L—Madrid, 1-2. Sv—Lefferts (8). HRs—Philadelphia, Lake (1). San Francisco, Thompson (5).

Atlanta 000 010 030—4 9 1
St. Louis 000 001 000—1 7 2
Glavine, Alvarez (7), Boever (9) and Benedict; DeLeon, Carpenter (9), DiPino (9) and Pena. W—Alvarez, 3-1. L—DeLeon, 6-3. Sv—Boever (6). HRs—Atlanta, Thomas (5). St. Louis, McGee (2).

Houston 000 110 002 001—5 12 1
Pittsburgh 000 120 010 000—4 9 3
Deshaies, Andersen (6), Darwin (8), Schatzeder (8), D.Smith (12) and Biggio; Fisher, Kipper (6), Landrum (7), Kramer (9), Robinson (11) and Ortiz. W—Schatzeder, 2-0. L—Robinson, 2-5. Sv—D.Smith (8). HR—Houston, G.Davis (11).

New York 000 000 001—1 7 2
Los Angeles 011 000 00x—2 11 1
Fernandez, Leach (7), McDowell (8), Myers (8) and Sasser; Morgan, Howell (9) and Scioscia. W—Morgan, 4-2. L—Fernandez, 4-2. Sv—Howell (9).

Montreal 000 000 000—0 6 1
San Diego 013 100 00x—5 13 0
Gardner, McGaffigan (3), Frey (5), Perez (7) and Pevey; Terrell and Santiago. W—Terrell, 4-5. L—Gardner, 0-1.

League Statistics

AMERICAN LEAGUE
(Through May 26)

TEAM BATTING

	AB	R	H	HR	RBI	Pct
Oakland	1565	207	435	34	196	.278
Boston	1534	224	416	34	204	.271
Minnesota	1554	227	421	35	214	.271
Seattle	1605	224	434	36	208	.270
Texas	1504	205	406	34	195	.270
Chicago	1598	192	429	28	188	.268
California	1551	214	412	43	198	.266
Cleveland	1555	188	394	38	172	.253
Toronto	1553	212	391	40	201	.252
Baltimore	1463	185	368	33	176	.252
Kansas City	1554	192	392	27	179	.252
New York	1504	175	377	27	157	.251
Milwaukee	1504	174	365	44	167	.243
Detroit	1480	165	358	33	143	.241

INDIVIDUAL BATTING
(100 or more at bats)

	AB	R	H	HR	RBI	Pct
Lansford Oak	169	29	62	1	12	.367
Palmeiro Tex	171	35	59	4	26	.345
Steinbach Oak	134	15	46	2	18	.343
Baines Chi	152	21	52	3	25	.342
ADavis Sea	143	27	48	5	33	.336
Puckett Min	180	25	60	3	24	.333
Wsntn Cal	113	17	37	5	18	.327
Franco Tex	163	20	53	7	42	.325
Greenwell Bsn	172	33	55	7	30	.320
Sierra Tex	174	27	55	5	34	.316
LIriano Tor	132	17	41	1	17	.311
Reynolds Sea	188	26	58	0	19	.309
Phillips Oak	118	15	36	2	12	.305
DWhite Cal	185	30	56	7	29	.303
Boggs Bsn	162	26	49	1	19	.302
Sax NY	177	17	53	1	15	.299
Whitaker Det	154	25	46	11	26	.299
Molitor Mil	152	15	45	5	15	.296
POBrien Cle	169	29	50	6	28	.296
Evans Bsn	149	27	44	6	28	.295
Griffey Sea	146	24	43	7	17	.295
Presley Sea	132	15	39	2	14	.295
Jacoby Cle	153	24	45	9	26	.294
Kelly NY	136	21	40	2	14	.294
DHedsn Oak	167	28	49	7	27	.293
Gallagher Chi	185	26	54	1	18	.292
McGriff Tor	161	36	47	10	29	.292
Seitzer KC	175	21	51	3	20	.291
Yount Mil	175	27	51	4	21	.291
Kittle Chi	135	20	39	8	29	.289
Burks Bsn	170	33	49	6	24	.288
EWilliams Chl	132	19	38	2	7	.288
Ray Cal	125	15	36	1	25	.288
Downing Cal	164	24	47	4	14	.287
CRipken Blt	172	17	49	2	24	.285
Gruber Tor	151	28	43	5	23	.285
PBradley Blt	162	24	46	3	17	.284
Valle Sea	127	18	36	4	15	.283
Javier Oak	117	16	33	0	12	.282
Leonard Sea	161	26	45	9	34	.280
Reed Bsn	142	20	39	0	11	.275
Calderon Chi	175	28	48	6	27	.274
Polonia Oak	128	22	35	0	13	.273
Slought NY	136	16	37	1	17	.272
Braggs Mil	166	25	45	8	27	.271
Trtabll KC	159	18	43	4	24	.270
Mattingly NY	167	15	45	2	22	.269
GBell Tor	164	23	44	5	25	.268
Boechle Tex	146	18	39	4	18	.267
Gladden Min	177	27	47	1	16	.266
Barrett Bsn	159	17	42	1	16	.264
CDavis Cal	159	23	42	6	22	.264
Browne Cle	160	16	42	1	21	.263
RHendson NY	172	29	45	3	18	.262
Stlwll KC	122	15	32	3	14	.262
BJackson KC	165	31	43	12	30	.261
Guillen Chi	207	25	54	0	13	.261
Gaetti Min	174	21	45	7	30	.259
Carter Cle	187	20	48	5	28	.257
Trammell Det	148	17	38	2	10	.257
McGwire Oak	121	18	31	9	27	.256
Snyder Cle	164	15	42	5	24	.256
Esasky Bsn	149	24	38	7	25	.255
Fletcher Tex	165	28	42	0	11	.255
Gagne Min	142	24	36	2	15	.254
Lyons Chi	142	13	36	1	16	.254
Espy Tex	166	26	42	0	7	.253
Fermin Cle	143	20	36	0	9	.252
Sheffield Mil	163	15	41	4	12	.252
Parrish Cal	140	18	35	6	21	.250
Tabler KC	120	8	30	0	11	.250
Espnoza NY	125	12	31	0	10	.248
DParker Oak	167	18	41	5	23	.246
Larkin Min	134	20	33	1	12	.246
Boone KC	119	8	29	0	8	.244
Coles Sea	181	18	44	2	21	.243
Nokes Det	120	9	29	6	22	.242
Lemon Det	133	15	32	1	13	.241
FWhite KC	129	13	31	0	11	.240
BAnderson Blt	163	29	39	4	14	.239
Rice Bsn	159	18	38	3	25	.239
Joyner Cal	152	17	36	1	17	.237
Allanson Cle	125	11	29	0	6	.232
Gantner Mil	143	15	33	0	12	.231
Deer Mil	165	27	38	12	27	.230
Tettleton Blt	136	22	31	10	21	.228
Incvglia Tex	155	14	35	6	26	.226
OMcDwll Cle	173	25	39	2	13	.225
Surhoff Mil	126	11	28	4	16	.222
Sheets Blt	117	10	25	3	12	.214
Lynn Det	124	14	26	1	10	.210
KWilliams Det	131	12	27	3	12	.206
Moseby Tor	157	26	32	4	13	.204
Howell Cal	124	13	25	3	9	.202
Withgtn Blt	137	10	27	2	19	.197
Wilson KC	130	21	25	1	11	.192
Barfield NY	137	19	26	8	18	.190

TEAM PITCHING

	ERA	H	ER	BB	SO	ShO	SA
California	2.74	388	126	134	216	10	10
Oakland	3.14	345	145	170	263	4	18
Kansas City	3.23	384	150	114	241	3	12
Cleveland	3.60	392	163	137	231	1	12
Baltimore	3.81	391	165	115	159	3	9
Toronto	4.00	391	181	146	224	3	6
Texas	4.16	357	182	220	320	1	11
Detroit	4.21	384	183	161	223	3	9
Minnesota	4.31	409	192	132	233	1	8
Boston	4.32	406	192	153	280	4	12
Seattle	4.35	433	203	158	272	1	14
Milwaukee	4.42	436	194	133	220	3	12
New York	4.79	427	210	155	225	2	16
Chicago	5.19	455	236	175	226	2	18

INDIVIDUAL PITCHING
(3 or more decisions)

	IP	H	BB	SO	W	L	ERA
Burns Oak	36	19	6	12	4	0	1.51
Russell Tex	23	15	4	22	3	1	1.54
McCaskill Cal	64	54	19	28	5	1	1.70
CFinley Cal	69	62	25	43	7	2	1.83
Moore Oak	69	40	33	50	5	3	2.09
Montgmry KC	25	16	4	19	6	1	2.19
Blyleven Cal	65	61	12	29	4	2	2.20
TGordon KC	37	17	18	42	4	2	2.21
Ballard Blt	60	57	12	13	8	1	2.24
Guante Tex	26	19	11	32	2	2	2.42
Olson Blt	29	21	17	26	3	0	2.48
DJones Cle	18	17	2	15	2	2	2.50
Clutterbck Mil	45	38	9	16	2	1	2.80
Key Tor	83	74	6	44	6	2	2.82
Sabrhgn KC	82	72	15	52	4	4	2.84
Swindell Cle	71	61	13	56	4	1	2.92
Oliveras Min	25	24	4	12	1	2	2.92
KBrown Tex	52	39	29	24	3	1	2.92
Gubicza KC	86	82	21	43	3	4	2.93
DWard Tor	34	26	20	36	1	6	2.94
FWilliams Det	34	23	23	17	2	2	2.94
Plesac Mil	18	16	7	23	1	2	2.95
JeReed Sea	33	29	12	22	3	3	2.97
Bosio Mil	70	68	9	48	6	3	2.97
Cerutti Tor	54	48	15	12	1	2	2.98
Candiotti Cle	66	60	21	44	5	2	3.00
King Chi	69	56	33	39	4	5	3.00
Wells Tor	30	22	10	32	2	2	3.00
Alexandr Det	71	63	19	27	3	4	3.06
Clemens Bsn	80	63	25	68	5	4	3.14
Welch Oak	66	52	31	47	6	3	3.15
Aquino KC	31	26	10	17	3	1	3.19
Ryan Tex	65	45	30	79	5	2	3.31
Langston Sea	73	59	19	60	4	5	3.44
Stewart Oak	77	80	26	37	8	2	3.49
Dopson Bsn	58	51	20	36	5	2	3.57
Tanana Det	72	68	22	39	4	4	3.61
Atherton Cle	27	30	11	11	0	3	3.71
Lebrndt KC	73	73	21	27	3	5	3.72
Abbott Cal	48	52	20	29	4	3	3.72
Hanson Sea	60	55	23	40	4	4	3.75
Bailes Cle	26	27	13	12	1	2	3.81
Black Cle	56	61	14	18	3	5	3.83
Berenguer Min	30	21	13	24	2	2	3.90
Flanagan Tor	57	62	15	19	3	4	3.92
Rosenberg Chi	34	28	15	19	1	2	3.93
Gonzalez Min	16	17	8	15	3	2	3.94
Williamsn Blt	30	28	6	16	1	2	3.94
AAnderson Min	61	60	18	24	5	2	3.98
Fraser Cal	22	16	8	10	1	3	4.09
Viola Min	79	82	17	41	3	6	4.12
RSmith Min	43	46	10	24	3	2	4.15
Crim Mil	27	32	8	13	3	2	4.28
BStanley Bsn	31	32	9	10	2	1	4.31
BJones Chi	17	16	6	9	1	2	4.32
Holton Blt	33	41	8	13	1	4	4.32
Moyer Tex	50	50	25	35	3	4	4.32
Rawley Min	56	59	19	26	3	4	4.37
Milacki Blt	66	67	30	22	2	4	4.39
MWitt Cal	69	83	11	30	3	4	4.41
Candlaria NY	40	38	8	32	3	2	4.46
Bannister KC	60	71	14	26	4	0	4.48
Yett Cle	50	49	23	27	4	3	4.50
Bankhead Sea	54	59	14	38	2	4	4.67
Smithson Bsn	43	53	8	25	2	3	4.87
Birkbeck Mil	42	51	21	30	0	3	4.89
Morris Det	62	74	24	48	2	7	4.94
Farrell Cle	48	42	19	25	2	5	5.03
Bautista Blt	54	56	11	16	2	4	5.03
Gibson Det	36	41	20	24	2	3	5.20
Schmidt Blt	58	64	12	23	3	4	5.25
August Mil	56	75	20	21	3	6	5.27
Henke Tor	15	13	13	14	2	3	5.28
Henneman Det	15	10	8	11	2	1	5.28
CYoung Oak	37	45	17	21	1	4	5.30
Hernandz Det	19	17	9	17	2	1	5.30
LaPoint NY	54	59	25	27	5	2	5.50
Stieb Tor	57	55	21	27	3	3	5.65
Leiter Tor	33	32	23	26	1	2	5.67
Boyd Bsn	28	32	9	11	2	1	5.72
John NY	64	87	22	18	2	7	5.80
Stottlmyr Tor	26	35	14	14	0	3	5.81
Hough Tex	46	53	31	25	3	5	5.83
Dotson NY	26	36	6	8	1	2	5.88
Hillegas Chi	55	67	27	29	1	6	5.93
Boddicker Bsn	53	57	27	41	3	4	5.98
BWitt Tex	57	63	31	44	4	4	6.00
SDavis Oak	37	53	22	20	3	3	6.14
LSmith Bsn	12	18	6	15	2	1	6.17
Hawkins NY	62	77	29	24	4	6	6.28
Trout Sea	29	38	16	17	4	2	6.28
Dunne Sea	27	38	16	10	1	3	6.41
Perez Chi	45	60	24	35	2	5	6.45
Wegman Mil	50	62	20	26	2	6	6.48
Long Chi	40	51	14	20	2	5	6.52
Reuss Chi	48	65	12	13	3	2	6.61
Hudson Det	27	31	12	6	0	3	6.75
Gardner Bsn	30	39	19	25	1	4	7.12
Campbell Sea	21	28	10	6	1	2	7.29
Toliver Min	25	34	10	10	1	2	7.66

(National League statistics will appear in Tuesday's editions.)

CYCLING

Tour of Italy

EIGHTH STAGE
(Roma to Gran Sasso d'Italia; 179 kilometers; 111 miles)

1. John Carlsen, Denmark, five hours, 2 minutes, 40 seconds; 2. Luis Herrera, Colombia, 29 seconds behind; 3. Marino Lejarreta, Spain, same time.

OVERALL STANDINGS

1. Eric Breukink, Netherlands, 38:18:50; 2. Acacio da Silva, Portugal, at 1 second; 3. Silvano Contini, Italy, 12; 4. Flavio Giupponi, Italy, 27; 5. Laurent Fignon, France, 32.

BASKETBALL

NBA Playoffs

FRIDAY'S RESULT

Los Angeles 25 25 32 28—110
Phoenix 19 35 21 32—107

Los Angeles: Green 1-7 0-0 2, Worthy 11-17 7-7 29, Abdul-Jabbar 6-14 3-4 15, Ea.Johnson 8-17 3-3 20, Scott 4-10 2-3 10, Cooper 5-6 2-2 16, Thompson 4-8 5-6 13, Woolridge 2-5 1-4 5. Totals 41-84 23-29 110.

Phoenix: Chambers 11-24 4-6 26, Corbin 1-3 2-2 4, West 0-1 0-0 0, Hornacek 10-16 1-1 21, K.Johnson 9-17 4-4 22, Ed.Johnson 5-16 4-5 14, Gilliam 3-4 0-0 6, Majerle 6-17 1-2 14, Nealy 0-0 0-0 0. Totals 45-98 16-20 107.

Three-point goals: Cooper 4, Ea.Johnson, Majerle. Fouled out: Ed.Johnson. Rebounds: Los Angeles 55 (Worthy 12), Phoenix 51 (Hornacek 11). Assists: Los Angeles 21 (Ea.Johnson 11), Phoenix 29 (K.Johnson 15). Total fouls: Los Angeles 21, Phoenix 23. Technicals: Los Angeles illegal defense 2, Phoenix illegal defense.

SATURDAY'S RESULT

Detroit 28 28 21 20—97
Chicago 27 18 21 33—99

Chicago: Pippen 2-10 2-4 7, Grant 2-5 3-4 7, Cartwright 5-6 5-6 15, Hodges 1-7 0-2 2, Jordan 16-26 14-15 46, Davis 3-4 0-0 6, Paxson 6-9 0-0 12, Corzine 2-4 0-0 4, Vincent 0-2 0-0 0. Totals 37-73 24-31 99.

Detroit: Aguirre 9-16 6-8 25, Mahorn 4-6 1-2 9, Laimbeer 2-7 0-0 4, Dumars 3-8 6-7 12, Thomas 2-8 1-2 5, Salley 4-4 0-0 8, Rodman 4-6 0-0 8, Johnson 6-14 5-5 19, Edwards 2-3 0-0 4, Long 0-0 3-3 3. Totals 36-74 22-27 97.

Three-point goals: Johnson 2, Aguirre, Pippen. Fouled out: None. Rebounds: Detroit 47 (Rodman 13), Chicago 39 (Pippen 8). Assists: Detroit 27 (Thomas 11), Chicago 21 (Hodges, Jordan 5). Total fouls: Detroit 31, Chicago 27. Technicals: Mahorn, Chicago coach Collins, Chicago illegal defense, Detroit coach Daly.

CONFERENCE FINALS
(Best of 7)

Eastern Conference
Chicago vs. Detroit

Chicago 94, Detroit 88
Detroit 100, Chicago 91
Chicago 99, Detroit 97
(Chicago leads series, 2-1)
May 29: Detroit at Chicago
May 31: Chicago at Detroit
x-June 2: Detroit at Chicago
x-June 4: Chicago at Detroit

Western Conference
Phoenix vs. L.A. Lakers

L.A. Lakers 127, Phoenix 119
L.A. Lakers 101, Phoenix 95
L.A. Lakers 110, Phoenix 107
(Lakers lead series, 3-0)
May 28: L.A. Lakers at Phoenix
x-May 30: Phoenix at L.A. Lakers
x-June 1: L.A. Lakers at Phoenix
x-June 3 or June 4: Phoenix at L.A. Lakers
(x-if necessary)

TENNIS

WORLD TEAM CUP TOURNAMENT
(In Düsseldorf)
Blue Group

West Germany 2, United States 1
Boris Becker, West Germany, def. Tim Mayotte, U.S., 6-4, 6-3; Carl-Uwe Steeb, West Germany, def. Aaron Krickstein, U.S., 6-2, 6-2.
Rick Leach and Jim Pugh, U.S., def. Eric Jelen and Patrick Kuehnen, West Germany, 6-3, 6-7 (4-7), 6-3.

Spain 2, Switzerland 1
Jakob Hlasek, Switzerland, def. Javier Sanchez, Spain, 6-1, 6-7 (5-7), 6-4; Jordi Arrese, Spain, def. Claudio Mezzadri, Switzerland, 2-6, 6-3, 7-6 (7-5).
Sanchez and Sergio Casal def. Hlasek and Heinz Guenthardt, 6-4, 6-2.

Final
West Germany 2, Argentina 1
Becker def. Guillermo Perez-Roldan, 6-8, 2-6, 6-2; Martin Jaite, Argentina, def. Steeb, 6-4, 6-3.
Becker and Jelen def. Javier Frana and Gustavo Luza, 6-4, 7-5.

WOMEN'S TOURNAMENT
(In Geneva)
Quarterfinals

Manuela Maleeva (3), Bulgaria, def. Elise Burgin, U.S., 6-4, 6-1; Laura Garrone, Italy, def. Laura Lapi, Italy, 7-6 (7-3), 6-2; Conchita Martinez (4), def. Belinda Cordwell, New Zealand, default; Barbara Paulus, Austria, def. Larisa Savchenko, Soviet Union, 6-1, 5-7, 6-4.

Semifinals
Maleeva def. Garrone, 6-3, 7-5; Martinez def. Paulus, 4-6, 7-5, 6-2.

Final
Maleeva def. Martinez, 6-4, 6-0.

SOCCER

ENGLISH FIRST DIVISION
Final Points: Arsenal, Liverpool 76; Nottingham Forest 64; Norwich 62; Derby 58; Tottenham 57; Coventry 55; Everton 54; Queens Park Rangers, Millwall 53; Manchester United, Wimbledon 51; Southampton 45; Charlton, Sheffield Wednesday 42; Luton 41; Aston Villa 40; Middlesbrough 39; West Ham 38; Newcastle 31.

ROUS CUP
England 2, Scotland 0

ITALIAN FIRST DIVISION
Ascoli 3, Atalanta 1
Cesena 0, Verona 0
Como 1, AC Milan 1
Internazionale 2, Napoli 1
Juventus 1, Fiorentina 1
Lecce 1, Bologna 1
Pisa 1, Torino 0
Roma 0, Lazio 0
Sampdoria 4, Pescara 1
Points: Internazionale 52; Napoli 43; AC Milan 38; Juventus 37; Sampdoria, Atalanta 34; Fiorentina 32; Roma 29; Verona 27; Lazio, Lecce 26; Ascoli, Bologna 25; Pescara, Cesena 24; Torino 22; Pisa, Como 21.

SPANISH FIRST DIVISION
Osasuna 0, Valencia 1
Gijon 2, Elche 0
Real Sociedad 0, Espanol 1
Betis 1, Malaga 2
Real Madrid 4, Cadiz 0
Valladolid 2, Sevilla 1
Barcelona 3, Athletic de Bilbao 0
Murcia 0, Logrones 0
Celta 1, Oviedo 2

DANISH FIRST DIVISION
Frem 3, Ikast 2
OB 3, Bronshoj 1
AaB 2, Naestved 0
B 1903 0, AGF 2
Herfolge 1, B 1913 1
Brondby 2, Lyngby 2
Silkeborg 0, Vejle 1
Points: Brondby 16; OB, Odense, Vejle 13; Lyngby 12; AGF, Aarhus 10; Silkeborg, B 1903, Copenhagen 9; AaB 8; Herfolge, Naestved 7; Frem, Copenhagen, Ikast 6; B 1913, Odense, Bronshoj 5.

WORLD CUP QUALIFYING
Singapore 3, Nepal 0
South Korea 3, Malaysia 0
North Korea 2, Hong Kong 1
Ireland 2, Malta 0

INTERNATIONAL FRIENDLY
Belgium 1, Yugoslavia 0

TRANSITION

BASEBALL
American League

MINNESOTA—Called up Lee Tunnell, pitcher, from Portland, Pacific Coast League. Sent Doug Baker, shortstop, to Portland.

NEW YORK—Put Roberto Kelly, outfielder, on 15-day disabled list. Activated Mel Hall, outfielder, from 15-day disabled list.

SEATTLE—Recalled Luis DeLeon, pitcher, from Calgary, Pacific Coast League. Optioned Greg Harris and Mike Dunne, pitchers, to Calgary. Designated Luis DeLeon, pitcher, for reassignment.

National League

CHICAGO—Put Phil Stephenson, outfielder, on 15-day disabled list. Activated Mitch Webster, outfielder, from 15-day disabled list. Transferred Jerome Walton, outfielder, from 15 to 21-day disabled list.

CINCINNATI—Recalled Luis Quinones, infielder, from Nashville, American Association.

LOS ANGELES—Put Mariano Duncan, infielder-outfielder, on 15-day disabled list.

ST. LOUIS—Put Denny Walling, infielder, on 15-day disabled list, retroactive to May 24. Recalled Rod Booker, infielder, from Louisville, American Association.

AUTO RACING

Indy 500

Leading unofficial results of the Indianapolis 500 mile race on Sunday (U.S. drivers, unless noted):

1. Emerson Fittipaldi, Brazil, Penske-Chevrolet
2. Al Unser, Jr., Lola-Chevrolet
3. Raul Boesel, Brazil, Lola-Judd
4. Mario Andretti, Lola-Chevrolet
5. A.J. Foyt, Lola-Cosworth
6. Scott Brayton, Lola-Buick
7. Davy Jones, Lola-Cosworth
8. Rich Vogler, March-Cosworth
9. Bernard Jourdain, Mexico, Lola-Cosworth
10. Scott Pruett, Lola-Judd

GOLF

Leaders Sunday after the third round of the European PGA Championship men's golf tournament on the 6,945-yard, par-72 Wentworth Club course in Virginia Water, England:

Craig Parry, Australia	68-68-69—205
Nick Faldo, England	67-69-69—205
Ian Woosnam, Wales	67-72-68—207
Gavin Levenson, South Africa	70-69-69—208
Mark McNulty, Zimbabwe	70-69-69—208
Jesper Parnevik, Sweden	72-70-67—209
Bernhard Langer, W. Germany	73-69-68—210
Denis Durnian, England	73-68-69—210
Gordon J. Brand, England	74-72-65—211
Jeff Hawkes, South Africa	75-70-66—211
Brett Ogle, Australia	68-73-70—211
Neil Hansen, England	69-70-72—211
Severiano Ballesteros, Spain	73-74-65—212
Ronan Rafferty, N. Ireland	72-69-71—212
Vijay Singh, Fiji	71-70-71—212

Scores Saturday after the third round of the $900,000 PGA Atlanta Classic played on the par-72, 7,018-yard Atlanta Country Club course in Marietta, Georgia:

Jay Don Blake	66-71-70—207
Duffy Waldorf	70-67-71—208
Davis Love III	71-69-69—209
Kent Kluba	70-70-69—209
Larry Mize	71-69-69—209
Mike Miles	71-73-66—210
Larry Nelson	70-73-68—211
Tommy Armour III	72-71-68—211
Calvin Peete	69-72-70—211
David Peoples	70-71-70—211
David Canipe	71-70-70—211
Scott Simpson	72-68-71—211
Kenny Knox	69-71-71—211
Bob Tway	70-70-71—211
Ronnie Black	71-68-72—211
Wayne Grady	70-66-75—211

CRICKET

ENGLAND vs. AUSTRALIA
(One Day International)
(In Nottingham, England, Saturday)

England 226-5; Australia 226-8; 55 overs.

Muriel Spark: The Infinitely Mysterious

International Herald Tribune

PARIS — As a New Yorker critic said, Muriel Spark's writing always gives delight. She is both reliable and unpredictable: a source of certain if unexpected pleasure in whose hands the reader can safely loop the loop, for she has the sense of *à propos* to her fingertips.

In France she has become an adjective — *"cette curieuse et précieuse langue sparkienne"* — while

MARY BLUME

an English reviewer praises her ability to provoke unease as well as to make the reader laugh. Had she been born a few centuries ago, he suggests, she would have been burned as a witch.

Perhaps. In person, Spark is amiable, very soft-voiced, outraged by the way natives treat animals abroad (she has lost three dogs to strychnine in Tuscany), quietly observant like the budding novelist in "Loitering With Intent" (1981) who says of a subject, "I fairly drank her in with my eyes while smiling politely back."

She has come to Paris for the French edition of her latest novel, "A Far Cry From Kensington." "It pleases the publisher and I like to meet people. I love to meet people who have read my books, naturally." In conversation as in her books, her commas are not uttered, but etched.

Later, at a roundtable talk at the British Council, she listens, her mouth drawn down at the corners like a clown's, while her oeuvre is explained to her and she replies mildly when asked to comment on translations, "I think if you read the book in English, it's more as it should be."

Another questioner, with a Scots burr, who asks if she considers herself a British writer, is answered with mollifying mischief, "I am a Scottish writer. I think one is what one is by formation. The point of view is Scottish. And not only Scottish, it is an Edinburgh point of view. And not only Edinburgh, it is Morningside."

In a far cry from Edinburgh, setting for "The Prime of Miss Jean Brodie," Spark lives in Rome and mostly in Tuscany, where Penelope Jardine, a sculptor friend who accompanied her to Paris, has a large house. She recently took it into her head to buy a studio in Greenwich Village because, she says, calmly ominous, "You never know." The Sparkian world has cracks in it, and more devils than angels.

Jerry Bauer
Novelist Spark: "I think I'm a poet first of all."

Happily productive, Muriel Spark has published two collections of poetry, one children's book, a play, three volumes of biography and criticism, and 18 novels beginning with "The Comforters" in 1957.

She likes to pack her novels with characters and incident and to keep them as short and spare as poems. "The way I conceive a novel as a work, the way I conceive life, I think I'm a poet first of all."

Being a poet, she says, means looking at life as verbal art. "Naming a thing. Naming a thing precisely. And then the elaboration on that. And music, the sounds, too, because it's connected to sounds and images, it seems to me."

She is at present writing her memoirs and a novel. She writes quickly and with few hesitations and no sense of how it will come out. "I make it up as I go along. It generally works out." It generally does.

She writes by hand in notebooks sent from the Edinburgh shop where she got them as a child. "They get thinner, you get less paper for your money. Instead of one notebook covering 10,000 words, it covers 8,000." She puts her name and the title on the outside label and begins, writing only on the right-hand page, with the left free for additions or rare corrections.

"Penelope types it out because I don't trust anyone else and she does a character list as I go along, a list of everything that moves and their characteristics, so that if someone's got black hair and blue eyes I don't change it half way through to black eyes and blue hair.

"I think Penny likes to do it, otherwise she wouldn't do it."

"I keep hoping I'll catch you up," Penny says.

Married at 19, Spark went to live in Rhodesia, returned, unmarried, to England where she worked in intelligence during World War II, and then settled in Kensington which, with its pleasant blend of the sinister and genteel, has served as the setting for several novels. She then moved on to New York and Rome where she added the international rich to her cast of fictional characters and was for a time part owner of a racehorse.

Life in Tuscany is quieter but enlivened by a Mexican series on Italian TV based on "Wuthering Heights" — "It's absolutely rivetingly funny" — and by thesis writers from all lands.

"The Italian ones are the funniest," Penny said. "They climb up to see you, they come with their mother and father," Spark said.

The novels set in Kensington in the 1950s, the earlier ones less mellow than "A Far Cry From Kensington," give an extraordinary sense of postwar London, emancipated from old rules and restrictions but shadowed by recent horrors. There is always an interplay of faith and credulity, along with an interest in the supernatural. "There was an upsurge of interest in the supernatural in those years, probably as a result of the uncontemplatable events which had blackened the last decade," she wrote in her last novel.

"The supernatural is very useful, it gives another dimension to the surface," Spark says. "I like to have the supernatural which is almost part of natural history, almost part of nature so there's no abrupt line between the natural and the supernatural. That's quite difficult, it has to have various circumstances to support it. But I think I haven't done it recently because normal life seems to me infinitely more mysterious. Just every day is an infinitely mysterious affair."

The novel she is writing is set in today's London which she finds frightening: more unscrupulous even than New York but not too obviously so. "The whole general feeling is not on the surface where you can immediately pick out that's a crook and that's a cutthroat. No, these are people in ordinary society having a lovely dinner."

In London, in 1954, Muriel Spark converted to Catholicism. "At that time a lot of people were becoming Catholics, a lot of intellectuals. I didn't know it at the time." Evelyn Waugh was among the first to praise her and Graham Greene gave her a monthly allowance on condition that she neither try to thank him nor pray for him. Today she is described as part of the tradition of the English Catholic novel. She disagrees: "I think I just write novels."

In "The Mandelbaum Gate" (1965), set in Israel the year of the Eichmann trial, the heroine, like Spark a half-Jewish Catholic convert, delights her guide on a pilgrimage by not being in a state of religion all the way and talking of prayer and self-sacrifice and charity. "They do seem to make a career of it," Barbara Vaughan, the heroine, says of the others.

Spark's religious practice does not allow custom to interfere with faith. She attends Mass but leaves before the sermon to avoid being bored.

"I wouldn't take the pope too seriously," she added. "He's a Pole first, a pope second, and maybe a Christian third."

Her conversion gave her a fixed point of departure in the fluid 1950s, she says. "I think it's essential to have a repository of faith, of morals. To my mind the Catholic religion is the best because the others don't do much. We are the people who are supposed to be doing something for each other, even if we don't."

In her reworking of the Book of Job, "The Only Problem (1984), she does not answer the only problem, of a benevolent deity who allows appalling suffering. "There's no fictional solution because there is no answer. I think it is very clear that God is not what we think. There is something else again that we don't know about. I think we have to trust ourselves a lot more and be more humanistic, depend on ourselves a lot more, do more for each other."

As a child she rewrote "The Pied Piper of Hamelin" to give it a happy ending. Her 1973 novel, "The Hothouse on the East River," begins with the words, "If only it were true that all's well that ends well, if only it were true."

"All is not well that ends well," she said. "What is serious you can never obliterate. So it isn't quite true that all's well that ends well."

So the attempt to rewrite "The Pied Piper" was misguided? "It was," she said.

LANGUAGE

Applying the Litmus Test to Politics

By William Safire

WASHINGTON — Some Democratic members of the Senate Judiciary Committee suspected that the Bush Justice Department was applying an "ideological litmus test" to its judicial nominations, and demanded that several nominees 'fess up to the kind of questioning they had undergone before being offered the jobs.

The *litmus test* — originally a procedure using an organic dye that turns blue in alkaline solutions, red in acid — was popularized as a political term in the mid-1970s during the debate about the Panama Canal treaties.

Those conservatives supporting the ultimate turnover of the canal were seen to be apostate right-wingers, turning red in the acid of true belief, while those opposing the "give-away" (like Ronald Reagan) were held to have proved themselves true-blue.

The litmus-test charge required the Justice Department to respond. Somebody in the administration — nobody will say who — drafted a letter to the committee for three nominees for federal judgeships to sign that denied any litmus-testing. Democratic Senators Ted Kennedy of Massachusetts and Joseph Biden of Delaware humphed, which is not germane to this column's discussion, but Senator Patrick Leahy, Democrat of Vermont, called the Justice document "one of the most grammatically inept letters" he had ever seen.

A portion of the letter: "I am pleased to address the committee that, with regard to interviews which I had with members of President Bush's staff and members of the Justice Department who serve Attorney General Dick Thornburgh: (1) I did not make any commitments with regard to how I might rule on any specific case or issue nor were any such commitments sought."

Inept? Let's mark it: *Address* is the wrong verb here. You can address an issue or address an envelope, but when you deal with a group of people, you should be physically present to address them; the correct verb in this case is *advise* or *inform* or, alternatively, *notify*. A lawyer can surely come up with an archaic sense of *address* to mean "present a suit," but not the sort of lawyer who should sit in judgment in this day and age. (The letter also spelled *judgment* in the British style — *judgement* — but maybe the nominees hope to wear wigs.)

After the word *interviews*, Justice misjudged *that* and *which*. "Interviews which I had with members of President Bush's staff" is incorrect because a restrictive clause modifying a word should start with *that;* in this case, not even *that* is needed, as the sentence could easily read "interviews I had with" or, even more gracefully, "my interviews with" (The word *interviews* was not as responsive as the more inclusive *communications*, but lawyers are trained to be unresponsive.)

Two uses of *with regard to* in the same sentence is two too many. Boilerplate prose is the mark of a lazy or terrified writer. In this case, *concerning* would have been usable once, but it's best to observe the rule in regard to *in regard to:* When in doubt, try *about.*

This controversy was brought to my attention by Anthony J. Hope, whose objection was not to the Department of Justice letters but to Leahy's criticism: "Isn't *most grammatically inept* grammatically inept?"

Turnabout is foul play. The argument is either that *inept*, like *unique*, should not be qualified by any adverb or that *inept* should not be separated from its modifier *most* by the adverb *grammatically*. Knowing full well that the entire Gotcha! Gang, led by its shock troops of the Nitpickers' League, lies in ambush for any language maven, I advise (not address) Leahy to zap the next offender with "grammatically one of the most inept letters I have ever seen."

Even as you read this, some vengeful prosecutor at Justice is saying, "Shouldn't he have put a comma after *grammatically* in that sentence? We ought to be able to get that wiseguy on something."

□

"Sino-Soviet summit" was the way I slugged my thumbsucker about the meeting of Deng and Gorby in Beijing. "Frowned on," was the response of my editor, who pointed to The New York Times Manual of Style and Usage: *"Sino.* Avoid in adjectival references to China. Use *Chinese-American, Chinese-Russian*, etc. But: *Sinologist.*"

That was curious: *Sinologist*, which was O.K. in the stylebook, is a term I would never use for "student of China." *Pekingologist* would be my preference for "pundit analyzing the machinations of the People's Republic of China" (except it would now be written *Beijingologist).* Contrariwise, *Sino-American* and *Sino-Soviet* are proscribed by the stylesters, but are my preference. I wheedled a one-time-only pass out of the editors on the basis of alliteration: *Sino-Soviet Summit* had a ring to it.

The *Sino*-no-no crowd probably thinks the Latin form is not only old-fashioned but is less easily understood than *Chinese-*.

But on that analogy, we would be saying farewell to *Anglo-*, and British-American relations would never be the same; same with *Franco-* and *Italo-*, and what about the most important combining form in linguistics, *Indo-*?

Some people feel that making the name of the culture into a prefix ending in *o* weakens or demeans that culture or country; Jesse Jackson, for example, rejects *Afro-American*, preferring *African-American*, which treats both cultures equally. The *o* ending is typical of the first elements of compounds of Greek origin, as in *Greco-Roman*, though *Greco-American* relations are usually called *Greek-American*. The stylebook is winning that one.

For guidance on *Sino-*, I turned to the Reverend Paul Chan, secretary general of the Sino-American Amity Fund in New York City, an unsung hero who has been making possible the education of Chinese students in the United States for a generation.

"*Sino-* comes from a Latin root meaning 'Chinese,'" says Chan "At one time, the Europeans thought of China not as a separate country but as many countries joined together, so the root *Sinae* is plural."

Is he sticking to *Sino-* in his title? "Perhaps we should use *Chinese*, which is easier for many Americans, but 'Sino-American Amity' is how we're known, and the form is not incorrect."

Stick with it, sez I; why do we feel the urge to simplify everything?

The "Save *Sino-* Society" has just been formed and welcomes members around the world. Just be sure to capitalize the combining form: the lowercased *sino-*, as in *sinorespiratory*, means "sinus-related."

New York Times Service

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PERSONALS

THANKS SACRED HEART OF JESUS and St Jude for answering my prayers. E.D.

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